UNITED COMPANY RUSAL PLC

(Incorporated under the laws of Jersey with limited liability)

(Stock Code: 486)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2020

The Board of Directors (the "**Board**") of United Company RUSAL Plc (the "**Company**") is pleased to announce the unaudited interim results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2020.

This announcement, containing the full text of the 2020 Interim Report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in relation to information to accompany preliminary announcements of interim results.

All announcements published by the Company are available on its website under the links http://www.rusal.ru/en/investors/info.aspx and http://rusal.ru/investors/info/moex/, respectively.

RUSAL

Interim Report 2020

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FINANCIAL AND OPERATING HIGHLIGHTS

USD million (unless otherwise specified)	**For the six months ended 30 June 2020**	2019
Revenue	**4,015**	4,736
Adjusted EBITDA	**219**	528
Adjusted EBITDA margin	**5.5%**	11.1%
Share of Profits of Associates and joint ventures	**27**	834
Pre-tax (Loss)/Profit	**(204)**	715
Net (Loss)/Profit	**(124)**	625
Net (Loss)/Profit margin	**(3.1%)**	13.2%
Adjusted Net Loss	**(63)**	(98)
Adjusted Net Loss margin	**(1.6%)**	(2.1%)
Recurring Net (Loss)/Profit	**(76)**	666
Recurring Net (Loss)/Profit margin	**(1.9%)**	14.1%
(Losses)/Earnings per Share *(USD)*	**(0.0082)**	0.0411

	As at 30 June 2020	As at 31 December 2019
Total assets	**16,722**	17,814
Total equity	**5,978**	6,747
Net Debt	**5,964**	6,466

Dear shareholders,

I am pleased to present to you RUSAL's 2020 Interim Report.

This year RUSAL is facing unprecedented conditions with the outbreak of the coronavirus pandemic, which history will reflect on as a watershed moment for humankind. In the face of adversity, the business has learned how to rapidly adapt to a fast moving, global situation that not even the most prominent experts could have predicted. The aluminium industry was impacted heavily, but RUSAL is no stranger to challenges. I am happy to say that in spite of the difficult circumstances, we have managed to continue to prioritize the safety of our employees and our obligations to clients.

RUSAL was one of the first companies in Russia to introduce large-scale measures to prevent the spread of the coronavirus. Not only did we protect our employees both in the offices and at our production sites, but we also did not cease to demonstrate our commitment to supporting local citizens in times of hardship. In Russia, where the majority of RUSAL's smelters are based, we invest into the construction of seven hospitals for the treatment of COVID-19 patients in the cities where we operate. In Guinea, we also opened a new medical facility for the treatment of infectious diseases and re-equipped the Center for Epidemic and Microbiological Research and Treatment (CEMRT) to receive patients with confirmed coronavirus infections. RUSAL's sustainability agenda has consistently shaped our business approach through both challenging and simpler times.

Companies with a strong focus on sustainability have a record of weathering the negative shocks from market turbulence better than others. As we emerge from the first months of the pandemic, it is becoming clear that the "building back better" approach that businesses will adopt implies becoming much more risk averse and alert to unseen risks going forward. Of those, climate change will be a major long-term risk. Both investors and consumers are becoming impatient and will increase pressure on the world's global economies, big industries and international corporations to outline a clear plan for lowering their CO_2 emissions.

The emphasis on ESG in business has grown in recent years and this will only increase in light of COVID-19. At RUSAL, we have been at the forefront of applying the best ESG practices and leading the battle against climate change with our low carbon aluminium, ALLOW. With access to hydropower stations in Siberia and the continuous development of innovative inert anode technology, RUSAL has enhanced its position as the leader of the "green" aluminium industry.

I am pleased to say that RUSAL's dedication to its sustainability principles remains unaffected by market challenges and global turbulence. Building on this, RUSAL's consistent efforts to reduce emissions, manage climate risks and ensure transparent communications in this area were duly recognised with our CDP rating. The Company has been recognised as a global leader in supply chain engagement on climate change issues. Out of 150 companies that were included in CDP's Supplier Engagement Leaderboard, RUSAL was not only the only Russian company, but also the only aluminium producer to make the list.

It is my pleasure to say that big initiatives that we launched in previous years continue to develop and gain support from local communities and environmental activists: from further tree planting in Irkutsk region as a part of our large-scale reforestation initiative "The Green Million" to the development of infrastructure through the further improvement of urban areas, parks, sports grounds and other community facilities, and construction of the playgrounds in the cities where we operate.

Further recognition came from professional trade finance media titles, Trade Export Finance (TXF) and Global Trade Review (GTR), both of which have highly praised the USD1.085 billion sustainability-linked syndicated pre-export finance facility that was largely welcomed by the banking and investment community. The deal received TXF's Russian Commodities Finance Deal of the Year Award and was also chosen as one of the top transactions from 2019 by GTR.

In conclusion I would like to reiterate that despite the severity of the current crisis, RUSAL has maintained its position as the industry's leading green aluminium producer with a strong focus on sustainability and a commitment to developing the best technological innovations and solutions for the benefit of our customers, stakeholders, employees and local communities.

Bernard Zonneveld
Chairman of the Board
13 August 2020

As we present you with this interim report, the global economy appears to be gradually recovering following the COVID-19 pandemic which has presented significant economic challenges over the last few months for all businesses. The pandemic has created instability in global markets, exposing the most volatile segments to heightened risk levels. The aluminium industry faced hardship following a slump in demand as customers temporarily put their production facilities and operations on hold.

RUSAL's operating model is built on resilience. Throughout its 20-year history, the Company has experienced highs and lows and is well prepared to face new challenges as and when they present themselves. In the first half of 2020, the Company went the extra mile to implement unprecedented measures: from working remotely to distributing personal protective equipment, from rigorous disinfection procedures to alerting the medical personnel based at our offices and operational sites, who have been on call 24/7. We continue to monitor and follow the guidance by the WHO, federal and local authorities and regulatory bodies. As a result of implementing these complex and unprecedented measures we managed to prevent the spread of the virus within the Company and did not jeopardize the continuity of our operations.

Due to this rapid response and agile approach we have maintained production output at relatively similar levels to the equivalent period last year. In the first half of 2020, aluminium production totaled 1,867 thousand tonnes, thus remaining stable as compared with a similar period a year ago.

The sales of the value-add product (VAP) increased by 16.5% compared with the first half of 2019. Furthermore, we have managed to increase our VAP share in our portfolio from 34% by the end of the first half of 2019 to 42% by the mid of 2020.

External factors did not stop us from making good progress with our long-term strategy aimed at modernizing our facilities to improve their ecological and economic efficiency using state-of-art technological developments and develop our own expertise for the benefit of RUSAL and the whole industry in general. Among such was the commencement of testing operations for a pilot industrial electrolytic cell with inert anodes of improved design and a record low carbon footprint. This revolutionary project will eventually have a historic impact on the global aluminium industry, as it will reduce the carbon footprint to a record level of 2 tonnes of CO_2 per tonne of aluminium produced (including emissions from the bauxite, alumina and energy sources as well as the smelter emissions (Scope 1, 2, and 3)), decrease operating costs during the production process and improve the purity of metal.

Furthermore, we have pledged to invest approximately USD190 million in modernizing the production of electrodes at our Sayanogorsk Aluminum Smelter between 2020 and 2023. We also recently launched a new foundry complex at our Boguchansk aluminium smelter, one of our most modernized production sites that will produce alloys for the automotive industry. This enhances RUSAL's position as one of the leading producers of value-add products for sale in international markets.

To conclude, I would like to thank our management team who have worked tirelessly to align operations with the new reality we face and ensure the safety of our most important asset – our people. I would also like to pay tribute to all of our dedicated employees who have been working extremely hard during challenging and worrying months to ensure our production remains uninterrupted and all client obligations are met. In turbulent times, we continue to follow our long-term priorities and strategic vision which have never failed to provide us with confidence and strength.

Evgenii Nikitin
Chief Executive Officer
13 August 2020

Overview of Trends in the Aluminium Industry and Business Environment

Aluminium demand

According to the JP Morgan Global Manufacturing PMI, global manufacturing activity increased from 42.4 in May to a 5-month high of 47.8 in June. It is still below 50 points, thus indicates contraction, but at a softer pace. Manufacturing conditions continued to recover all over the world following the severe disruption caused by COVID-19. While in the US, Brazil, France, Turkey and China manufacturing production expanded at a several months' highest rates, other national economies experienced slower declines. Although a potential second wave of COVID-19 continues to cause some uncertainty in the market, most countries are more optimistic towards 2H 2020.

In 1H 2020, the global primary aluminium demand was down by 6.6% year-on-year to 30.3 million tonnes. Ex-China demand contracted by 15.4% to 12.3 million tonnes, while Chinese demand remained almost unchanged at 18 million tonnes.

In Europe, primary aluminium demand contracted by 16.1% to 4 million tonnes in 1H 2020 amidst almost complete automotive manufacturing shutdown, construction stops and fall in retail sales due to the COVID-19. After reaching the lowest level in April, the Eurozone production sector moved toward stabilization, with the manufacturing PMI reaching 47.4 in June, above market expectations. Wide support measures implemented by the European commission, the ECB and national governments are aimed at encouraging development of manufacturing industries mostly affected by COVID-19, specifically directed at automotive production and the overall health of economic system. The recovery of key end-use sectors will boost primary aluminium demand.

In North America, primary aluminium demand dramatically decreased by 18.2% to 2.8 million tonnes in 1H 2020, due to a later, but nevertheless strong COVID-19 outbreak. After a forced reduction in production and sales this spring, manufacturing indicators began to recover since May 2020. In June 2020, US manufacturing output expanded with ISM manufacturing PMI reaching 52.6 and the overall economy notching a second month of growth. In two major aluminium end-user industries: transport and construction – market expectations are becoming more optimistic. According to recent LMC Automotive estimations, North American light vehicle production is expected to decrease by 21% in 2020, which is significantly smaller drop than previously expected 25.4% as was they've announced two months earlier.

In South America, primary aluminium demand declined by 10.5% to 0.5 million tonnes mainly caused by the COVID-19 outbreak in Brazil and ongoing financial crisis in Argentina. However, a gradual recovery of the economy amidst lifting of restrictive measures may lead to better results in 2H 2020.

Asian primary aluminium demand decreased in 1H 2020. In India, the demand decreased by 12.1% to 1.0 million tonnes. In other parts of Asia ex-China the demand decreased by 15.0% to 2.5 million tonnes. India lost its growth momentum due to the world's largest lockdown commenced since the end of March. Currently, to continue to fight the rapidly spreading infection, the Indian government has only lifted lockdown for some of the regions whereas lockdown continues in most regions. Meanwhile, in June 2020, Indian manufacturing PMI surged to 47.2 from 30.8 in May 2020 as a result of partial lifting of regional lockdown. The Japanese manufacturing industry faced a challenging environment, with a rather weak domestic demand and export, amidst the ongoing COVID-19 backdrop. However, since February business sentiments turned back to the positive trends and is expected to recover.

In the domestic market, primary aluminium demand decreased by 10.9% to 0.5 million tonnes in 1H 2020, and we anticipate a deeper fall in the following months. In 2020, automotive production and sales are expected to sharply contract by around 30% and construction output is set to deteriorate by 12 to 15%, amidst lower personal income. The key risks to the national economy include a severe decline in purchasing power, the depreciation of the Ruble and rising import prices.

In China, the Caixin China manufacturing PMI moderately grew to 51.2 in June from 50.7 in May. This indicated a gradual manufacturing recovery from the lockdown and other COVID-19 containment measures imposed at the beginning of the year, with strong improvements in output, new orders and higher purchasing activity. Market sentiment towards the upcoming months is the strongest it has been since February, as many companies expect the demand to grow.

According to China's Association of Automobile Manufacturers (CAAM), automotive production increased by 6.3% month-on-month and 22.5% year-on-year to 2.325 million units in June. Meanwhile, automotive sales in June increased by 4.8% month-on-month and by 11.6% year-on-year to 2.3 million units. In May, automotive production was up 18.2% year-on-year and sales up 14.5% year-on-year.

The demand for consumer related products, such as cans stock, is improving as well. NBS data shows that Chinese beer and soft drink production has recovered well. For instance, the beer production totaled 4.081 billion liters in May, up by 14.6% year-on-year. According to NBS data, investment in the property market totaled CNY4.59 trillion in the first five months, a very mild decline of 0.3% year-on-year.

This led to significantly improved primary aluminium demand in China in 2Q 2020 and as a result 1H 2020 Chinese demand remained almost unchanged at 18 million tonnes.

Aluminium supply and inventories

Global aluminium production in 1H 2020 grew by 1.8% to 32.1 million tonnes, including the Rest of the World ("**RoW**") growth at 0.5% year-on-year to 13.9 million tonnes. In China, a 2.8% growth year-on-year to 18.2 million tonnes was seen for the same period. Overall, the global market was in surplus of 1.8 million tonnes during 1H 2020.

With regard to cost curve, around 12% of smelters in the RoW still operate at a loss. Approximately 3.5 million tonnes of capacity outside of China operates with costs above current prices. Since the beginning of this year, around 0.6 million tonnes of RoW capacity was curtailed.

Operating capacity in China reached 37.2 million tonnes. Chinese unwrought aluminum and products exports collapsed by 20.6% in 1H 2020 year-on-year to 2.37 million tonnes on strongly negative export price arbitrage.

In 1H 2020, aluminium inventories at LME warehouses grew above 1.6 million tonnes, with an overall increase of 165 thousand tonnes compared to the level at the end of last year. LME live warrants grew to the level of 1.47 million tonnes. Chinese regional stocks continued to decline steeply in June 2020 and decreased by 960 thousand tonnes to 0.7 million tonnes from its highest level this year of 1.68 million tonnes as of the beginning of April 2020.

Our Business

The principal activities of the Group are alumina refining, aluminium smelting and refining, bauxite and nepheline ore mining and processing, as well as sales of bauxite, alumina and various primary aluminium and secondary products. There were no significant changes in the Group's principal activities for the six months ended 30 June 2020.

Financial and operating performance

The tables below provide key selected financial, production and other information for the Group.

	Six months ended 30 June	
	2020	**2019**
Key operating data[1]		
(kt)		
Primary aluminium	1,867	1,867
Alumina	4,022	3,850
Bauxite (wet)	7,469	8,073
Sales of primary aluminium and alloys	1,890	1,978
(USD per tonne)		
Aluminium segment cost per tonne[2]	1,564	1,655
Aluminium price per tonne quoted on the LME[3]	1,592	1,826
Average premiums over LME price[4]	141	125
Alumina price per tonne[5]	264	374

1 Figures based on total respective attributable output.

2 For any period, "Aluminium segment cost per tonne" is calculated as aluminium segment revenue (excluding sales of third parties' metal) less aluminium segment results less amortisation and depreciation (excluding margin on sales of third parties' metal and alumina intersegment margin) divided by sales volume of the aluminium segment (excluding volumes of third parties' aluminium sold).

3 Aluminium price per tonne quoted on the LME represents the average of the daily closing official London Metals Exchange ("LME") prices for each period.

4 Average premiums over LME realized by the Company based on management accounts.

5 The average alumina price per tonne provided in this table is based on the daily closing spot prices of alumina according to Non-ferrous Metal Alumina Index FOB Australia USD per tonne.

Key selected data from the consolidated interim condensed statement of income

	Six months ended 30 June	
	2020	**2019**
(USD million)		
Revenue	4,015	4,736
Cost of sales	(3,520)	(3,931)
Gross profit	495	805
Adjusted EBITDA	219	528
margin (% of revenue)	*5.5%*	*11.1%*
(Loss)/Profit for the period	(124)	625
margin (% of revenue)	*(3.1%)*	*13.2%*
Adjusted Net Loss for the period	(63)	(98)
margin (% of revenue)	*(1.6%)*	*(2.1%)*
Recurring Net (Loss)/Profit	(76)	666
margin (% of revenue)	*(1.9%)*	*14.1%*

Aluminium production

RUSAL produced 1.867 million tonnes of aluminum in the six months ended 30 June 2020, compared to 1.867 million tonnes in the same period of 2019. The output has not changed.

The value-added production volumes for the six months ended 30 June 2020 declined to 730 thousand tonnes from 803 thousand tonnes in the same period of 2019 due to the COVID-19 pandemic.

Alumina production

Alumina production increased by 4.5%, amounting to 4.022 million tonnes in the six months ended 30 June 2020, compared with 3.850 million tonnes for the six months ended 30 June 2019 mainly due to increase of Friguia production as a result of planned gradual capacity ramp-up.

Bauxite and nepheline ore productions

Bauxite production decreased by 7.5% to 7.469 million tonnes for the six months ended 30 June 2020 from 8.073 million tonnes for the six months ended 30 June 2019. The decline of output is primarily attributed to the suspension of operations of business in Guyana, as announced at the beginning of February 2020.

Nepheline production increased by 5.2% to 2.264 million tonnes for the six months ended 30 June 2020 from 2.153 million tonnes for the six months ended 30 June 2019. The growth is in line with the Achinsk plant production output.

Foil and packaging productions

Aluminium foil and packaging material production by the Group's plants totaled 49.05 thousand tonnes for the six months ended 30 June 2020. There was a 1% increase from 48.76 thousand tonnes in the six months ended 30 June 2019. The decrease in Sayanal production volume was due to the decrease in thickness of foil.

Foil Mills	**Interest**	**Year ended 30 June**		**Change year-on-year (six months on six months)**	
(thousand tonnes)		**1H 2020**	**1H 2019**	**dev**	**(%)**
Domestic market (RF and CIS)		**21.06**	**23.49**	**(2.43)**	**(10%)**
Sayanal	100%	11.71	14.19	(2.48)	(17%)
including converted foil		4.91	4.61	0.30	(7%)
Ural Foil	100%	7.03	7.32	(0.29)	(4%)
Sayana Foil	100%	2.32	1.98	0.34	17%
Export		**27.99**	**25.27**	**2.72**	**11%**
Sayanal	100%	5.83	5.91	(0.08)	(1%)
Ural Foil	100%	4.69	4.02	0.67	17%
Armenal	100%	17.47	15.34	2.13	14%
Total production		**49.05**	**48.76**	**0.29**	**1%**

Other business

RUSAL's output from its non-core business recorded the following results for the six months ended 30 June 2020 compared to the respective period in the previous year.

Units – thousand tonnes	**Six month ended 30 June**			**Comments**
Product	**2020**	**2019**	**Change**	
Silicon	14.3	26.6	(12.3)	The capacity reduction due to decline in market demand. The production at RUSAL Kremny Ural LLC was stopped on 1 December 2019 until the macroeconomic situation improves. In 2020, the production of silicon is continued only at one plant Kremniy JSC.
Aluminium Powders	11.84	11.28	0.56	Increase of AAC products and flaky powders sales along with the decrease of powders sale.
Secondary alloys	7.53	8.22	(0.69)	Change in the business scheme (refusal to redeem slag and aluminum waste from RUSAL RESAL LLC, conclusion of direct agreements with plants) deviation depends on the volume of slag processed.

Units – thousand wheels	**Six month ended 30 June**			**Comments**
Product	**2020**	**2019**	**Change**	
Aluminium wheels	1,002	1,628	(626)	Decline in production due to falling demand on wheels Aftermarket, triggered by COVID-19 isolation in RF.

Coal production results

Coal production, attributable to the Group's 50% share in LLP Bogatyr Komir, increased by 5.0% to 11.042 million tonnes in the first half of 2020 compared to 10.513 million tonnes in the first half of 2019, mainly due to increased demand in Kazakhstan.

Transportation results

The products transported by LLP Bogatyr Trans, of which the Company has a 50% share, decreased by 21.8% to 1.692 million tonnes in the first half of 2020 from 2.165 million tonnes in the first half of 2019, due to a decrease in demand in the Russian Federation and in Kazakhstan.

Revenue

Revenue	Six months ended 30 June 2020			Six months ended 30 June 2019		
	USD million	kt	Average sales price (USD/t)	USD million	kt	Average sales price (USD/t)
Sales of primary aluminium and alloys	3,318	1,890	1,756	3,877	1,978	1,960
Sales of alumina	242	776	312	340	791	430
Sales of foil and other aluminium products	178			205		
Other revenue[6]	277			314		
Total revenue	**4,015**			**4,736**		

Total revenue decreased by USD721 million, or 15.2% to USD4,015 million in the first six months of 2020 from USD4,736 million in the corresponding period of 2019.

Revenue from sales of primary aluminium and alloys for the first six months of 2020 decreased by USD559 million, or by 14.4%, to USD3,318 million, as compared to USD3,877 million for the first half of 2019, primarily due to 10.4% decrease in the weighted-average realized aluminium price per tonne (to an average of USD1,756 per tonne in the first six months of 2020 from USD1,960 per tonne in the first six months of 2019) driven by a decrease in the LME aluminium price (to an average of USD1,592 per tonne in the first six months of 2020 from USD1,826 per tonne in the first six months of 2019), as well as the 4.4% lower sales volumes.

6 Including energy and bauxite.

Revenue from sales of alumina decreased by 28.8% to USD242 million in the first six months of 2020 from USD340 million in the corresponding period of 2019 primarily due to a decrease in the average sales price by 27.4% together with 1.9% lower sales volumes.

Revenue from sales of foil and other aluminium products decreased by USD27 million, or by 13.2%, to USD178 million in the first six months of 2020, as compared to USD205 million for the corresponding period of 2019, primarily due to a decrease in sales of aluminium wheels between the comparable periods.

Revenue from other sales, including sales of other products, bauxite and energy services decreased by 11.8% to USD277 million in the first six months of 2020 as compared to USD314 million for the respective period of 2019, due to a 16.6% decrease in sales of other materials (such as silicon by 48.2%, soda by 23.2%, aluminium powder by 6.9%).

The table below shows the breakdown of the Group's revenues by geographic segment for the six months ended 30 June 2020 and 2019, showing the percentage of revenue attributable to each region:

	Six months ended 30 June			
	2020		**2019**	
	USD million	**% of Revenue**	**USD million**	**% of Revenue**
Europe	1,874	47%	2,210	47%
CIS	1,126	28%	1,262	27%
America	292	7%	467	10%
Asia	699	17%	768	16%
Other	24	1%	29	–
Total	**4,015**	**100%**	**4,736**	**100%**

Note: Data based on location of customers, which may differ from the location of final consumers.

Cost of sales

The following table shows the breakdown of RUSAL's cost of sales for the six months ended 30 June 2020 and 2019:

	Six months ended 30 June 2020	2019	Change, year-on-year	Share of costs,% (Six months ended 30 June 2020)
(USD million)				
Cost of alumina	296	352	(15.9%)	8.4%
Cost of bauxite	211	243	(13.2%)	6.0%
Cost of other raw materials and other costs	1,130	1,294	(12.7%)	32.1%
Purchases of primary aluminium from JV	235	198	18.7%	6.7%
Energy costs	988	1,116	(11.5%)	28.1%
Depreciation and amortization	266	263	1.1%	7.5%
Personnel expenses	257	259	(0.8%)	7.3%
Repairs and maintenance	183	136	34.6%	5.2%
Net change in provisions for inventories	4	(6)	NA	0.1%
Change in finished goods	(50)	76	NA	(1.4%)
Total cost of sales	**3,520**	**3,931**	**(10.5%)**	**100.0%**

Total cost of sales decreased by USD411 million, or 10.5%, to USD3,520 million for the first six months of 2020, as compared to USD3,931 million for the corresponding period of 2019.

The decrease was primarily driven by 4.4% lower primarily aluminium sales volume and depreciation of Ruble against US dollar between the comparable periods. Increase in the other expenses has resulted from additional costs incurred at plants to implement anti-COVID-19 staff safety measures.

Cost of alumina decreased to USD296 million for the first half of 2020 as compared to USD352 million for the same period of 2019 primarily due to the decrease in alumina purchase price by 23.0% between the periods.

Cost of raw materials (other than alumina and bauxite) and other costs decreased by 12.7% for the first half of 2020 compared to the same period of 2019, due to a decrease in raw materials purchase price (prices for the raw petroleum coke by 28.1%, calcined petroleum coke by 22.7%, pitch by 31.1%, caustic soda by 23.5%).

Energy costs decreased by USD128 million, or by 11.5%, to USD988 million for the first half of 2020 as compared to USD1,116 million for the same period of 2019 due to depreciation of Ruble against US dollar and a decrease in the average electricity prices between the periods.

The finish goods mainly consist of primary aluminium and alloys (app. 93%). The dynamic of change between the reporting periods was driven by the fluctuations of primary aluminium and alloys physical inventory between the reporting dates: 9.0% increase in the first half of 2020 and 6.9% decrease in the same period of 2019.

Gross profit

As a result of the foregoing factors, RUSAL reported a gross profit of USD495 million for the six months ended 30 June 2020 compared to USD805 million for the same period of 2019, representing a decrease in gross profit margin to 12.3% from 17.0% between the periods.

Distribution and other expenses

Distribution expenses decreased by 9.6% to USD227 million in the six months of 2020 from USD251 million for the same period of 2019 following the decrease in primarily aluminium sales volume and depreciation of Ruble against US dollar between the comparable periods. Increase in the other expenses has resulted from additional costs incurred at plants to implement anti-COVID-19 staff safety measures.

Results from operations and Adjusted EBITDA

	Six months ended 30 June		Change, year-on-year
(USD million)	**2020**	**2019**	
Reconciliation of Adjusted EBITDA			
Results from operating activities	(106)	201	NA
Add:			
Amortization and depreciation	274	272	0.7%
Impairment of non-current assets	51	49	4.1%
Loss on disposal of property, plant and equipment	–	6	(100.0%)
Adjusted EBITDA	**219**	**528**	**(58.5%)**

Adjusted EBITDA, defined as results from operating activities adjusted for amortization and depreciation, impairment charges and loss on disposal of property, plant and equipment, decreased to USD219 million during the first six months of 2020, as compared to USD528 million for the corresponding period of 2019. The factors that contributed to the decrease in Adjusted EBITDA were the same that influenced the operating results of the Company.

Finance income and expenses

(USD million)	**Six months ended 30 June 2020**	**2019**	**Change, year-on- year**
Finance income			
Interest income on third party loans and deposits	16	17	(5.9%)
Interest income on loans to related party – companies related through parent company	–	1	(100.0%)
Net foreign exchange gain	87	–	100.0%
Change in fair value of derivative financial instruments, including:	12	7	71.4%
Change in fair value of embedded derivatives	*46*	*(5)*	*NA*
Change in other derivatives instruments	*(34)*	*12*	*NA*
	115	**25**	**360.0%**
Finance expenses			
Interest expense on bank and company loans, bonds and other bank charges, including:	(236)	(288)	(18.1%)
Interest expense	*(225)*	*(264)*	*(14.8%)*
Bank charges	*(11)*	*(24)*	*(54.2%)*
Other finance costs	–	(2)	(100.0%)
Interest expense on provisions	(3)	(2)	50.0%
Net foreign exchange loss	–	(51)	(100.0%)
Lease interest cost	(1)	(2)	(50.0%)
	(240)	**(345)**	**(30.4%)**

Finance income increased by USD90 million, or 360.0% to USD115 million for the first six months 2020 compared to USD25 million for the same period of 2019 primarily due to the net foreign exchange gain for the first six months 2020 compared to the net foreign exchange loss for the same period of 2019.

Finance expenses decreased by USD105 million or by 30.4% to USD240 million for the first six months 2020 as compared to USD345 million for the corresponding period of 2019, primarily due to the reason described above as well as 18.1% decrease of interest expense and other bank charges mostly driven by depreciation of Ruble against US dollar between the comparable periods.

Share of (losses)/profits of associates and joint ventures

(USD million)	Six months ended 30 June 2020	2019	Change, year-on-year
Share of (losses)/profits of Norilsk Nickel, with	(13)	791	N/A
Effective shareholding of	27.82%	27.82%	
Share of (losses)/profits of associates	**(13)**	**791**	**N/A**
Share of profits of joint ventures	**40**	**43**	**(7.0%)**

Share of losses of associates was USD13 million in the first six months of 2020 compared to share of profits of associates USD791 million in the corresponding period of 2019. Share of (losses)/profits of associates in both periods resulted from the Company's investment in Norilsk Nickel.

The market value of RUSAL's stake in Norilsk Nickel was USD11,771 million as at 30 June 2020, as compared to USD13,586 million as at 31 December 2019.

The share of profits of joint ventures was USD40 million in the first six months of 2020 as compared to USD43 million for the same period of 2019. The Company's joint ventures include investments in BEMO, LLP Bogatyr Komir, Mega Business and Alliance (transportation business in Kazakhstan).

(Loss)/Profit before taxation

As a result of the foregoing factors, the Company's loss before taxation was USD204 million for the first six months of 2020, compared to the profit USD715 million for the same period of 2019.

Income tax

The company recognized income tax credit in amount of USD80 million for the six months ended 30 June 2020 as compared to USD90 million expense for the first half of 2019. Income tax credit for the reporting period was primarily driven by recognition of deferred tax asset on taxable losses incurred by various Group companies following the deterioration of market environment in the second quarter of 2020.

(Loss)/Profit for the period

Loss for the period comprised of USD124 million for the first half of 2020, compared to the profit USD625 million for the same period of 2019. Loss for the reporting period primarily due to the environmental provision in the amount of USD2,134 million recognized by Norilsk Nickel in its interim condensed consolidated financial statements for the six months ended 30 June 2020 which has resulted in significant decrease in Group's share of its profits for the reporting period.

Adjusted and Recurring Net (Loss)/Profit

(USD million)	**Six months ended 30 June 2020**	**2019**	**Change, year-on-year**
Reconciliation of Adjusted and Recurring Net (Loss)/Profit			
(Loss)/Profit for the period	(124)	625	N/A
Adjusted for:			
Share of profits and other gains and losses attributable to Norilsk Nickel, net of tax effect, with	13	(764)	N/A
Change in the fair value of derivative financial liabilities, net of tax (20%)	(3)	(8)	(62.5%)
Impairment of non-current assets, net of tax	51	49	4.1%
Adjusted Net Loss	(63)	(98)	(35.7%)
Add back:			
Share of (losses)/profits of Norilsk Nickel, net of tax	(13)	764	N/A
Recurring Net (Loss)/Profit	**(76)**	**666**	**N/A**

Adjusted Net (Loss)/Profit for any period is defined as the Net (Loss)/Profit adjusted for the net effect of the Company's investment in Norilsk Nickel, the net effect of derivative financial instruments and the net effect of impairment of non-current assets. Recurring Net (Loss)/Profit for any period is defined as Adjusted Net (Loss)/Profit plus the Company's net effective share in Norilsk Nickel's results.

Segment reporting

The Group has four reportable segments, as described in the Annual Report, which are the Group's strategic business units: Aluminium, Alumina, Energy and Mining and Metals. These business units are managed separately and results of their operations are reviewed by the CEO on a regular basis.

The core segments are Aluminium and Alumina.

	Six months ended 30 June			
	2020		2019	
	Aluminium	Alumina	Aluminium	Alumina
(USD million)				
Segment revenue				
kt	1,787	3,910	1,941	3,808
USD million	3,137	1,180	3,786	1,297
Segment result	180	(45)	397	7
Segment EBITDA[7]	342	33	573	67
Segment EBITDA margin	10.9%	2.8%	15.1%	5.2%
Capital expenditure	247	117	202	116

In the first half of 2020 and 2019, respectively, segment result margins (calculated as the percentage of segment result to total segment revenue) from continuing operations were 5.7% and 10.5% for the aluminium segment, and negative 3.8% and positive 0.5% for the alumina segment. Key drivers for the decrease in margin in the aluminium segment are disclosed in "Cost of sales" and "Results from operations and Adjusted EBITDA" above. Detailed segment reporting can be found in the consolidated interim condensed financial information included in this Interim Report.

7 Segment EBITDA for any period is defined as segment result adjusted for amortisation and depreciation for the segment.

Working capital

The following table sets forth the Group's current assets, current liabilities and working capital as at the dates indicated:

	As at 30 June 2020	As at 31 December 2019
(USD million)		
Current Assets		
Inventories	2,392	2,460
Trade and other receivables	1,157	1,351
Dividends receivable	–	430
Short-term investments	179	171
Derivative financial assets	106	75
Cash and cash equivalents	2,096	1,781
Total current assets	**5,930**	**6,268**
Current Liabilities		
Loans and borrowings	826	548
Trade and other payables	1,545	1,770
Derivative financial liabilities	123	27
Provisions	43	45
Total current liabilities	**2,537**	**2,390**
Net current assets	**3,393**	**3,878**
Working Capital	**2,004**	**2,041**

The Group had working capital of USD2,004 million as at 30 June 2020, down by 1.8% from USD2,041 million as at 31 December 2019. Inventories decreased by USD68 million, or 2.8%, to USD2,392 million as at 30 June 2020 from USD2,460 million as at 31 December 2019. This decrease was primarily due to depreciation of Ruble and the decrease in electricity prices, railway transportation tariffs and other raw material costs in Ruble terms.

Trade and other receivables decreased by USD194 million, or 14.4%, to USD1,157 million at 30 June 2020 from USD1,351 million at 31 December 2019, due to the decrease in trade receivables from third parties.

Trade and other payables decreased by USD225 million, or 12.7%, to USD1,545 million at 30 June 2020 from USD1,770 million at 31 December 2019. The drop was primarily attributable to a decrease in advances received from the Group's main customers.

Capital expenditure

RUSAL recorded capital expenditures (which constitute payments for the acquisition of property, plant and equipment and intangible assets) of USD401 million in the first half of 2020 (including pot rebuilds for USD63 million). RUSAL's capital expenditure for the six months ended 30 June 2020 was primarily aimed at maintaining existing production facilities.

The table below shows the breakdown of RUSAL's capital expenditure for the six months ended 30 June 2020 and 2019:

	Six months ended 30 June	
	2020	**2019**
(USD million)		
Development capital expenditure	169	148
Maintenance, including:		
Pot rebuilds costs	63	61
Re-equipment	169	144
Total capital expenditure	**401**	**353**

Loans and borrowings

The nominal value of the Group's loans and borrowings was USD5,447 million as at 30 June 2020, not including bonds, which amounted to an additional USD2,582 million.

Below is an overview of certain key terms of the selected facilities in the Group's loan portfolio as at 30 June 2020:

Facility/Lender	Principal amount outstanding as at 30 June 2020	Tenor/Repayment Schedule	Pricing
		Syndicated facilities	
PXF facility	USD1.085 billion	Up to USD1.085 billion syndicated aluminium pre-export finance term facility – until November 2024 equal quarterly repayments starting from January 2022	3 month LIBOR plus 2.25%* p.a.
		Bilateral loans	
Nordea Bank Abp	USD200 million	January 2021, bullet repayment at final maturity date	1 month LIBOR plus 2.4% p.a.
The Russian Regional Development Bank (RRDB)	USD200 million	December 2020, bullet repayment at final maturity date	3.6% p.a.
Sberbank loan	USD2.1 billion	December 2024, quarterly repayments starting from June 2021	3 month LIBOR plus 3.75% p.a.
	RUB110.2** billion		9.15% p.a.
		Bonds	
Eurobond	USD592*** million	February 2022, repayment at final redemption date	5.125% p.a.
Eurobond	USD491**** million	May 2023, repayment at final redemption date	5.3% p.a.
Eurobond	USD498 million	February 2023, repayment at final redemption date	4.85% p.a.
RUB Bonds	RUB70 billion (including RUB60 billion swapped into USD, for equivalent USD0.9 billion after cross-currency swaps)	5 tranches, the last repayment is May 2030, repayments at final redemption dates, subject to a bondholders' put option exercisable within 3.0-3.5 years	3.65% – 4.69% p.a. (after cross-currency swaps) RUB 6.50%****

* The margin was decreased to 2.1% starting from 7 August 2020 due to performance of the sustainability KPIs

** On 13 July, the Company prepaid to Sberbank Ruble part of the loan in the amount of RUB3.8 billion

*** In July 2020, Rusal launched the tender offer and purchased from investors and redeemed Eurobonds for the total amount of USD88.5 million

**** In July 2020, RUB5 billion swapped into USD with 3 years maturity and the interest rate 2.9%

The average maturity of the Group's debt as at 30 June 2020 was 2.7 years.

Security

As of the date of this Interim Report, the Group's debt (save for several unsecured loans and bonds) is secured, among others, by assignment of receivables under specified contracts, pledges of shares in certain non-operating companies, designated accounts, shares in Norilsk Nickel (representing a 25% plus 1 share of Norilsk Nickel's total nominal issued share capital).

Debt Capital Markets

On 20 March 2020 the Group repaid Panda bonds issuance (the first tranche) and redeemed bonds with notional value CNY320 million (USD46 million).

On 9 June 2020 placement of the exchange-traded Ruble bonds of RUSAL Bratsk series BO-002P-01 in the amount of RUB10 billion with a coupon rate 6.5% was completed and the exchange-traded Ruble bonds commenced trading on the Moscow Exchange. Maturity of the bonds is ten years subject to bondholders' put option exercisable in June 2023. In July 2020, the Group entered into a cross-currency interest rate swap, which resulted in the exchange-traded Ruble bonds exposure in the amount of RUB5 billion being translated into US-dollar exposure with the maturity of 3 years and the interest rate of 2.90%.

Ratings

On 18 March 2020, Expert RA, a Russian rating agency, withdrew, without confirmation, Rusal's credit rating following the expiration of the rating service agreement. The Company decided to refrain from extending the agreement for cost optimisation purposes, given that the Group's issuer in the domestic market is only RUSAL Bratsk, and ratings assigned by national agencies are only necessary for the Group in terms of bond issues in the domestic market.

On 6 May 2020, Fitch Ratings has downgraded Company's Long-Term Issuer Default Rating (IDR) to 'B+' from 'BB-'. The agency has also downgraded Rusal Capital D.A.C.'s senior unsecured notes rating to 'B+' from 'BB-'. The Outlook on Long-Term IDR remained Stable.

Dividends

No dividends were recommended or approved by the Board of Directors during the first six months of 2020.

Cash flows

In the first half of 2020, the Company used net cash generated from operating activities of USD173 million to service its outstanding debt and capital expenditure requirements.

The following table summarizes the Company's cash flows for the six months ended 30 June 2020 and 2019:

	Six months ended 30 June	
(USD million)	**2020**	**2019**
Net cash generated from operating activities	173	741
Net cash generated from/(used in) investing activities	398	(329)
Net cash used in financing activities	(188)	(309)
Net increase/(decrease) in cash and cash equivalents	383	103
Cash and cash equivalents at beginning of period	1,768	801
Cash and cash equivalents at end of period	2,084	926

Net cash generated from operating activities decreased to USD173 million in the first six months of 2020 from USD741 million for the corresponding period in 2019 following overall deterioration in market environment and resulting decrease in the Company's margins.

Net cash generated from investing activities for the first six months of 2020 totaled USD398 million compared to net cash USD329 million used in investing activities for the first six months of 2019. Investing cash flows were represented by dividends received from associates and joint ventures in the amount of USD790 million and USD11 million for the first six months of 2020 and 2019, respectively, and by acquisition of property, plant and equipment and intangible assets in the amount of USD401 million and USD353 million, respectively.

Net cash used in the financing activities decreased by USD121 million to USD188 million in the first half of 2020 from USD309 million in the corresponding period in 2019 due to different debt and interest repayment schedule.

Cash and cash equivalents

As at 30 June 2020 and 31 December 2019, cash and cash equivalents excluding restricted cash were USD2,084 million and USD1,768 million, respectively. Restricted cash amounted to USD12 million and USD13 million as at 30 June 2020 and 31 December 2019, respectively. Restricted cash is represented by pledges under certain guaranties.

Financial ratios

Gearing

The Group's gearing ratio, which is the ratio of Total Debt (including both long-term and short-term borrowings and bonds outstanding) to total assets was 48.2% and 46.3% as at 30 June 2020 and 31 December 2019, respectively.

Return on Equity

The Group's return on equity, which is the amount of Net (Loss)/Profit as a percentage of total equity, was negative 2.1% and positive 10.0% as at 30 June 2020 and 2019, respectively.

Interest Coverage Ratio

The Group's interest coverage ratio, which is the ratio of earnings before interest and taxes to net interest, was nil and 3.9 for the six months ended 30 June 2020 and 2019, respectively.

Quantitative and Qualitative Disclosures about Market Risk

The Group is exposed in the ordinary course of its business to risks related to changes in interest rates and foreign exchange rates. The Group's policy is to monitor and measure interest rate and foreign currency risks and to undertake steps to limit their influence on the Group's performance.

Interest Rate and Foreign Currency Risk

A description of the Group's interest rate and foreign exchange risks is set out on page 222, 223 of the 2019 Annual Report. The information on interest rate and foreign currency rate risk disclosed in the consolidated financial statements for the year ended 31 December 2019 remains relevant as at 30 June 2020.

Employees

The following table sets forth the aggregate average number of people (full time equivalents) employed by each division of the Group during the first half of 2019 and the first half of 2020 respectively.

Division	First half of 2019 ended 30 June 2019	First half of 2020 ended 30 June 2020
Aluminium	19,085	19,607
Alumina	22,208	22,110
Engineering and Construction	6,017	1,421
Energy	27	27
Packaging	2,125	2,132
Management	772	703
Technology and Process Directorate	1,382	1,332
Others	5,710	5,279
Total	**57,326**	**52,611**

Remuneration and benefit policies

The remuneration paid by the Group to an employee is based on his/her qualification, experience and performance, as well as the complexity of his or her job. Wages for employees are generally reviewed annually and are revised taking into account the performance assessment and the local labor market conditions. Under the current collective agreement, remuneration of employees of the Company's smelters is subject to an annual increase offsetting inflation, based on the official data on the minimal living wage of working population and the consumer price index published by the State Statistics Committee of the Russian Federation.

RUSAL's Personnel Policy and the Corporate Code of Conduct govern the relationship between the Group and its staff. The Group's Corporate Code of Conduct strictly prohibits discrimination based on gender, race and/or religion and forbids any form of child, forced or indentured labor.

About 60% of the Group's employees are unionized and 95% of employees are covered by collective agreements.

The headcount decrease in 2020 was caused by structural changes in the Engineering and Construction Division due to reorganization of the maintenance function for the Company's production facilities.

Given the situation with the pandemic, which occurred just in the 1st half of 2020, and the associated cost savings, many programs aimed at staff development have been suspended, so this information will be reflected in the Annual Report for 2020.

Audit Committee

The primary duties of the Audit Committee are to assist the Board in providing an independent view of the effectiveness of RUSAL's financial reporting process, internal control and risk management systems, to oversee the audit process and to perform other duties and responsibilities assigned to the Audit Committee by the Board.

The Audit Committee consists of independent non-executive Directors. The members are as follows: four independent non-executive Directors, Mr. Kevin Parker (chairman), Dr. Elsie Leung Oi-sie, Mr. Bernard Zonneveld and Mr. Dmitry Vasiliev.

The Audit Committee held five meetings in the first half of 2020. At the meeting on 12 March 2020, the Audit Committee reviewed the financial statements for the year ended 31 December 2019.

On 11 August 2020, the Audit Committee held its sixth meeting in 2020. The Audit Committee considered matters regarding auditing and financial reporting, including the consolidated interim condensed financial information for the three- and six-month periods ended 30 June 2020. The Audit Committee is of the opinion that the consolidated interim condensed financial information for the three- and six-month periods ended 30 June 2020 complies with the applicable accounting standards, the Listing Rules and other applicable legal requirements and that adequate disclosures have been made.

Contingencies

The Board has reviewed and considered contingent liabilities of the Company and disclosed information concerning such contingent liabilities in note 16 to the consolidated interim condensed financial information. For detailed information about contingent liabilities, please refer to note 16 of the consolidated interim condensed financial information. Details of the amounts of provisions are also disclosed in note 14 to the consolidated interim condensed financial information.

Business risks

In the 2019 Annual Report, the Company identified a number of business risks that affect its business. The Company has identified some additional risks for the first six months or the remaining six months of the year 2020.

The major risk factor identified is the global pandemic of the new coronavirus infection ("COVID-19") that has a comprehensive influence on the Company performance:

- The risk of high COVID-19 case rate among the Company employees, including those directly involved in production processes, which may cause a decrease in production volumes of aluminium. The Company has extended anti-COVID-19 program to include working on a remote or rotational basis where applicable, alongside with standard measures such as temperature control, testing, free sanitizers, social distancing, etc.

- The risk of lower demand for the Company products due to the overall economy downturn driven by the COVID-19 global pandemic. This mainly affects demand for value added products, especially aluminum wheel discs and other products related to the automotive market. However, the risk of temporary shutdown of smelters is not considered, as the Company always may sell aluminum to the LME warehouse network.

Investments in subsidiaries

There were no other material acquisitions and disposals of subsidiaries for the six months ended 30 June 2020.

Details of the principal subsidiaries are set out in the financial statements for the year ended 31 December 2019 included in the Annual Report and save for the foregoing, there were no significant changes in the course of the half year ended 30 June 2020.

Interests in associates and joint ventures

The market value of RUSAL's stake in Norilsk Nickel was USD11,771 million as at 30 June 2020 compared to USD9,988 million as at 30 June 2019 and USD13,586 million as at 31 December 2019. Detail of RUSAL's investment in Norilsk Nickel was disclosed in the Annual Report and save for the foregoing, there were no significant changes in the course of the half year ended 30 June 2020.

For further information on interests in associates and joint ventures, please refer to note 10 to the consolidated interim condensed financial information.

Material events in the first half of 2020 and since the end of that period

30 January 2020	RUSAL announced that it had invested approximately RUB600 million as part of an eco-friendly modernization of its coke-calcining kiln at the Volgograd aluminium smelter (VgAZ).
3 February 2020	RUSAL announced the decision to suspend the operations of its business in Guyana.
5 February 2020	RUSAL announced it would invest RUB5.2 billion in modernizing Sayanogorsk and Khakas Aluminium Smelters in 2020.
6 February 2020	RUSAL was identified as a global leader for engaging with its suppliers on climate change by the Carbon Disclosure Project's (CDP) Supplier Engagement Leaderboard.
11 February 2020	RUSAL appointed Ayumi Murakami as Representative Director of the Company's office in Tokyo.
13 February 2020	RUSAL announced it would invest RUB500 million to support the eleven winning projects from the RUSAL Territory. The implementation of the projects is scheduled for 2021-2022.
28 February 2020	RUSAL announced fourth quarter and full year 2019 operating results.
13 March 2020	RUSAL announced results for the year ended 31 December 2019.

16 March 2020	RUSAL announced the introduction of additional preventive measures in response to the current issue of COVID-19 in order to best ensure the health and safety of all employees. Starting from 17 March employees from head office and staff who are not involved in the production process could work from home. Operations would continue uninterrupted.
15 April 2020	RUSAL announced that the Centre for Epidemic and Microbiological Research and Treatment (CEMRT), built by the Company in Kindia, Guinea in 2015, and acknowledged nationally as one of the sites for the diagnosis and treatment of COVID-19, has received its first patient with COVID-19.
27 April 2020	RUSAL announced first quarter 2020 operating results.
26 May 2020	RUSAL announced that it had started producing anodes for cathodic protection for the oil and gas, shipbuilding and other heavy industries to protect critical structures and metal objects from corrosion.
28 May 2020	RUSAL announced that its USD1.085 billion sustainability-linked syndicated pre-export finance facility had been titled as the winner in the "Russian commodities finance deal of the year" category of the 2020 "Perfect 10 Deals of the Year" TXF Award.
2 June 2020	RUSAL completed the book building process for the new placement of its 10-year Ruble-denominated bonds with a three year put option on the Moscow Exchange, the nominal value of 10 billion rubles and a coupon rate of 6.5% p.a., a record low for the Company.
5 June 2020	RUSAL announced it would invest approximately USD190 million in modernizing the production of electrodes at its Sayanogorsk Aluminum Smelter between 2020 and 2023. In addition to the positive economic effect this investment would bring, the modernization program would also help reduce the smelter's environmental impact.

10 June 2020	RUSAL commenced testing operations for a pilot industrial electrolytic cell with inert anodes, which has an improved design and a record low carbon footprint.
11 June 2020	RUSAL opened a new multifunctional medical center for the treatment of infectious diseases in Guinea.
18 June 2020	RUSAL launched a new foundry complex at Boguchansky aluminium smelter to produce high strength alloys for the automotive industry with a capacity of 120 thousand tonnes of alloys per year.
22 June 2020	RUSAL announced the planting of over 100 thousand trees in the Irkutsk region as part of the Company's climate strategy for absorbing greenhouse gases.
30 June 2020	RUSAL published its annual Sustainability Report on the Hong Kong Stock Exchange, Company's website, Interfax.
24 July 2020	RUSAL announced that its Krasnoyarsk Aluminium Smelter had completed its transition to the EcoSoderberg technology.
27 July 2020	RUSAL announced second quarter operating results.
29 July 2020	RUSAL reported the fulfillment of the sustainability key performance indicators for 2019 and the reduction of margin under the sustainability-linked syndicated pre-export finance facility.
30 July 2020	RUSAL announced that it had reviewed the results of its grant contest, the winners of which will receive 2 to 7 million Rubles from the Company to implement environmental protection initiatives.

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Independent Auditors' Report on Review of Consolidated Interim Condensed Financial Information

To the Board of Directors

United Company RUSAL Plc *(Incorporated in Jersey with limited liability)*

INTRODUCTION

We have reviewed the accompanying consolidated interim condensed statement of financial position of United Company RUSAL Plc (the "Company") and its subsidiaries (the "Group") as at 30 June 2020, and the related consolidated interim condensed statements of income and comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes to the consolidated interim condensed financial information (the "consolidated interim condensed financial information"). The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of consolidated interim condensed financial information to be in compliance with the relevant provisions thereof and International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The directors are responsible for the preparation and presentation of this consolidated interim condensed financial information in accordance with IAS 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this consolidated interim condensed financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of consolidated interim condensed financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Reviewed entity: United Company RUSAL Plc
Registration No. 94939
Jersey, British Channels Islands.

Independent auditor: JSC "KPMG", a company incorporated under the Laws of the Russian Federation, a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Registration No. in the Unified State Register of Legal Entities 1027700125628.

Member of the Self-regulatory Organization of Auditors Association "Sodruzhestvo" (SRO AAS). The Principal Registration Number of the Entry in the Register of Auditors and Audit Organisations: No. 12006020351.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim condensed financial information as at 30 June 2020 and for the six-month period then ended is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

Maxim Samarin
JSC "KPMG"
Moscow, Russia
12 August 2020

CONSOLIDATED INTERIM CONDENSED STATEMENT OF INCOME

	Note	Six months ended 30 June 2020 (unaudited) USD million	2019 (unaudited) USD million
Revenue	5	4,015	4,736
Cost of sales	6(a)	(3,520)	(3,931)
Gross profit		**495**	**805**
Distribution expenses	6(b)	(227)	(251)
Administrative expenses	6(b)	(248)	(230)
Impairment of non-current assets	6(b)	(51)	(49)
Net other operating expenses	6(b)	(75)	(74)
Results from operating activities		**(106)**	**201**
Finance income	7	115	25
Finance expenses	7	(240)	(345)
Share of profits of associates and joint ventures	10	27	834
(Loss)/profit before taxation		**(204)**	**715**
Income tax gain/(expense)	8	80	(90)
(Loss)/profit for the period		**(124)**	**625**
Attributable to Shareholders of the Company		(124)	625
(Loss)/profit for the period		**(124)**	**625**
(Losses)/earnings per share			
Basic and diluted (losses)/earnings per share (USD)	9	(0.0082)	0.0411
Adjusted EBITDA	6(c)	219	528

CONSOLIDATED INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Note	Six months ended 30 June 2020 (unaudited) USD million	2019 (unaudited) USD million
(Loss)/profit for the period		**(124)**	**625**
Other comprehensive income or loss			
Items that will never be reclassified subsequently to profit or loss:			
Actuarial gain/(loss) on post retirement benefit plans	14	7	(1)
		7	**(1)**
Items that are or may be reclassified subsequently to profit or loss:			
Disposal of subsidiary		–	4
Change in fair value of cash flow hedges	15	(58)	(5)
Foreign currency translation differences on foreign operations		(116)	67
Foreign currency translation differences for equity-accounted investees	10	(478)	372
		(652)	**438**
Other comprehensive loss or income for the period, net of tax		**(645)**	**437**
Total comprehensive loss or income for the period		**(769)**	**1,062**
Attributable to:			
Shareholders of the Company		**(769)**	**1,062**

There was no significant tax effect relating to each component of other comprehensive income or loss.

CONSOLIDATED INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

	Note	30 June 2020 (unaudited) USD million	31 December 2019 USD million
ASSETS			
Non-current assets			
Property, plant and equipment		4,565	4,499
Intangible assets		2,426	2,557
Interests in associates and joint ventures	10	3,443	4,240
Deferred tax assets		232	130
Derivative financial assets	15	44	33
Other non-current assets		82	87
Total non-current assets		**10,792**	**11,546**
Current assets			
Inventories		2,392	2,460
Short-term investments		179	171
Trade and other receivables	11(a)	1,157	1,351
Dividends receivable		–	430
Derivative financial assets	15	106	75
Cash and cash equivalents		2,096	1,781
Total current assets		**5,930**	**6,268**
Total assets		**16,722**	**17,814**
EQUITY AND LIABILITIES			
Equity	12		
Share capital		152	152
Share premium		15,786	15,786
Other reserves		2,841	2,892
Currency translation reserve		(9,795)	(9,201)
Accumulated losses		(3,006)	(2,882)
Total equity		**5,978**	**6,747**

CONSOLIDATED INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

	Note	30 June 2020 (unaudited) USD million	31 December 2019 USD million
Non-current liabilities			
Loans and borrowings	13	7,234	7,699
Provisions	14	392	403
Deferred tax liabilities		462	465
Derivative financial liabilities	15	15	27
Other non-current liabilities		104	83
Total non-current liabilities		**8,207**	**8,677**
Current liabilities			
Loans and borrowings	13	826	548
Trade and other payables	11(b)	1,545	1,770
Derivative financial liabilities	15	123	27
Provisions	14	43	45
Total current liabilities		**2,537**	**2,390**
Total liabilities		**10,744**	**11,067**
Total equity and liabilities		**16,722**	**17,814**
Net current assets		**3,393**	**3,878**
Total assets less current liabilities		**14,185**	**15,424**

Approved and authorised for issue by the board of directors on 12 August 2020.

Evgenii V. Nikitin
Chief Executive Officer

Alexander V. Popov
Chief Financial Officer

CONSOLIDATED INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

	Share capital USD million	Share premium USD million	Other reserves USD million	Currency translation reserve USD million	Accumulated losses USD million	Total equity USD million
Balance at 1 January 2020	**152**	**15,786**	**2,892**	**(9,201)**	**(2,882)**	**6,747**
Loss for the period (unaudited)	–	–	–	–	(124)	(124)
Other comprehensive loss for the period (unaudited)	–	–	(51)	(594)	–	(645)
Total comprehensive loss for the period (unaudited)	**–**	**–**	**(51)**	(594)	**(124)**	**(769)**
Balance at 30 June 2020 (unaudited)	**152**	**15,786**	**2,841**	**(9,795)**	**(3,006)**	**5,978**
Balance at 1 January 2019	**152**	**15,786**	**2,863**	**(9,750)**	**(3,842)**	**5,209**
Profit for the period (unaudited)	–	–	–	–	625	625
Other comprehensive (loss)/income for the period (unaudited)	–	–	(2)	439	–	437
Total comprehensive (loss)/income for the period (unaudited)	**–**	**–**	**(2)**	**439**	**625**	**1,062**
Balance at 30 June 2019 (unaudited)	**152**	**15,786**	**2,861**	**(9,311)**	**(3,217)**	**6,271**

CONSOLIDATED INTERIM CONDENSED STATEMENT OF CASH FLOWS

	Note	Six months ended 30 June	
		2020	**2019**
		(unaudited)	**(unaudited)**
		USD million	**USD million**
OPERATING ACTIVITIES			
(Loss)/profit for the period		**(124)**	**625**
Adjustments for:			
Depreciation	6	271	269
Amortisation	6	3	3
Impairment of non-current assets	6(b)	51	49
(Reversal of)/impairment of trade and other receivables	6(b)	(3)	7
Impairment/(reversal of impairment) of inventories		4	(6)
Provision for legal claims	6(b)	–	10
Pension provision/(reversal of pension provision)		1	(8)
Change in fair value of derivative financial instruments	7	(12)	(7)
Net foreign exchange (gain)/loss		(87)	67
Loss on disposal of property, plant and equipment	6(b)	–	6
Interest expense	7	240	294
Interest income	7	(16)	(18)
Income tax (gain)/expense	8	(80)	90
Share of profits of associates and joint ventures	10	(27)	(834)
Cash from operating activities before changes in working capital and provisions		**221**	**547**
Decrease in inventories		75	182
Decrease/(increase) in trade and other receivables		208	(187)
Increase in prepaid expenses and other assets		(1)	–
(Decrease)/increase in trade and other payables		(305)	393
Decrease in provisions		(5)	(4)
Cash generated from operations before income tax paid		**193**	**931**
Income taxes paid		(20)	(190)
Net cash generated from operating activities		**173**	**741**

CONSOLIDATED INTERIM CONDENSED STATEMENT OF CASH FLOWS

	Six months ended 30 June	
	2020	**2019**
	(unaudited)	**(unaudited)**
	USD million	**USD million**
INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	7	19
Interest received	14	16
Acquisition of property, plant and equipment	(392)	(337)
Acquisition of intangible assets	(9)	(16)
Cash (paid for)/received from other investments	(22)	3
Acquisition of a subsidiary	(1)	(25)
Return of a contribution to joint venture	10	–
Dividends from associates and joint ventures	790	11
Changes in restricted cash	1	–
Net cash from/(used in) investing activities	**398**	**(329)**
FINANCING ACTIVITIES		
Proceeds from borrowings	214	695
Repayment of borrowings	(74)	(721)
Interest paid	(244)	(274)
Settlement of derivative financial instruments	(84)	(9)
Net cash used in financing activities	**(188)**	**(309)**
Net increase in cash and cash equivalents	**383**	**103**
Cash and cash equivalents at the beginning of the period	1,768	801
Effect of exchange rate changes on cash and cash equivalents	(67)	22
Cash and cash equivalents at the end of the period	**2,084**	**926**

Restricted cash amounted to USD12 million and USD13 million at 30 June 2020 and 31 December 2019, respectively.

1 Background

(a) Organisation

United Company RUSAL Plc (the "Company" or "UC RUSAL") was established by the controlling shareholder of RUSAL Limited ("RUSAL") as a limited liability company under the laws of Jersey on 26 October 2006. On 27 January 2010, the Company successfully completed a placing on the Main Board of The Stock Exchange of Hong Kong Limited ("Hong Kong Stock Exchange") and changed its legal form from a limited liability company to a public limited company.

On 23 March 2015, the shares of the Company were admitted to listing on PJSC Moscow Exchange MICEX-RTS ("Moscow Exchange") in the First Level quotation list. The trading of shares on Moscow Exchange commenced on 30 March 2015. There was no issue of new shares.

The Company's registered office is 3rd floor, 44 Esplanade, St Helier, Jersey, JE4 9WG, Channel Islands.

The extraordinary general meeting of the Company held on 1 August 2019 approved the application by the Company to the regulatory authorities in Russia for continuance as a company with the status of an International Company established under the laws of Russia (the "Redomiciliation"). The Company is currently in process of completing relevant actions for approved redomiciliation.

As part of preparation for the above-mentioned Redomiciliation to Russia, in 2020 the Company proceeded the winding up of its operations in Cyprus, registered a new branch in Russia and starting from 1 January 2020 has been considered a Russian tax resident.

The Company directly or through its wholly owned subsidiaries controls a number of production and trading entities engaged in the aluminium business and other entities, which together with the Company are referred to as "the Group".

The shareholding structure of the Company as at 30 June 2020 and 31 December 2019 was as follows:

	30 June 2020	**31 December 2019**
EN+ GROUP IPJSC ("EN+", former En+ Group Plc)	56.88%	50.10%
SUAL Partners Limited ("SUAL Partners")	22.50%	22.50%
Zonoville Investments Limited ("Zonoville")	4.00%	4.00%
Amokenga Holdings Limited ("Amokenga Holdings")	–	6.78%
Mr. Oleg V. Deripaska	0.01%	0.01%
Publicly held	16.61%	16.61%
Total	**100.00%**	**100.00%**

At 30 June 2020 and 31 December 2019 the directors consider the immediate parent of the Group to be EN+, which was incorporated in Jersey with its registered office at 44 Esplanade, St Helier, Jersey, JE4 9WG, Channel Islands. On 9 July 2019 the Parent Company changed its domicile to Russian Federation with a registration as EN+ GROUP International public joint-stock company (EN+GROUP IPJSC). As at the date of this consolidated interim condensed financial information the Parent Company's registered office is Oktyabrskaya st. 8, office 34, Kaliningrad, Kaliningrad Region, 236006, Russian Federation.

Based on the information provided by EN+, at the reporting date there is no individual that has an indirect prevailing ownership interest in EN+ GROUP IPJSC exceeding 50%, who could exercise voting rights in respect of more than 35% of EN+ GROUP IPJSC's issued share capital or has an opportunity to exercise control over EN+ GROUP IPJSC. As at 30 June 2020 Mr. Oleg Deripaska beneficially controls and exercises voting rights in respect of 35% of the voting shares of EN+ GROUP IPJSC and cannot exceed his direct or indirect shareholding over 44.95% of the shares of the EN+ GROUP IPJSC.

According to the information disclosed on The Stock Exchange of Hong Kong Limited Zonoville Investments Limited and SUAL Partners Limited are associates. Major ultimate beneficiaries of SUAL Partners are Mr. Victor Vekselberg and Mr. Len Blavatnik.

Related party transactions are disclosed in note 17.

The consolidated financial statements of the Group as at and for the year ended 31 December 2019 are available at the Company's website www.rusal.com.

(b) Seasonality

There are no material seasonal events in business activity of the Group.

(c) OFAC Sanctions

On 6 April 2018, the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") designated, amongst others, the Company, as a Specially Designated National ("SDN") (the "OFAC Sanctions").

As a result, all property or interests in property of the Company and its subsidiaries located in the United States or in the possession of U.S. Persons were blocked, must have been frozen, and could not be transferred, paid, exported, withdrawn, or otherwise dealt in. Several general licenses were issued at the time of the designation and later on authorizing certain transactions with the Company, its majority shareholder EN+GROUP IPJSC En+ Group Plc ("EN+", former En+ Group Plc "En+"), and with their respective debt and equity.

On 27 January 2019 OFAC announced removal of the Company and En+ from OFAC's SDN List with immediate effect. The removal was subject to and conditional upon the satisfaction of a number of conditions including, but not limited to, corporate governance changes, including, inter alia, overhauling the composition of the Board to ensure that independent directors constitute the majority of the Board, stepping down of the Chairman of the Board, and ongoing reporting and certifications by the Company to OFAC concerning compliance with the conditions for removal.

(d) COVID-19

The first months of 2020 have seen significant global market turmoil triggered by the outbreak of the novel coronavirus. Along with other factors, including a sharp decrease in the price of oil, this has resulted in high volatility on the stock market, with a considerable drop of indices, as well as a depreciation of the Ruble. As a result of the COVID-19 outbreak during 2020, aluminium prices continued to deteriorate. This factor had an adverse impact on the revenue and profitability of the Group, partially offset by Ruble depreciation and decrease in cost of raw materials linked to the oil price. As aluminium prices are forecast to continue to remain at depressed levels in 2020, management is implementing a number of measures including, but not limited to, cost and working capital optimization. At the date of this analysis, the Group continues to assess the impact of these factors on its financial position and future cash flows and thoroughly monitors all developments. Considering the currently produced analysis and cash flows forecasts management has concluded that the Group and the Company will continue operations and meet its obligations as they fall due.

2 Basis of preparation

(a) Statement of compliance

This consolidated interim condensed financial information has been prepared in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting and applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules").

This consolidated interim condensed financial information does not include all of the information required for full annual financial statements prepared in accordance with International Financial Reporting Standards and therefore should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2019.

The Group has also no updates to information provided in the last annual financial statements about the standards effective from 1 January 2020 and their impact on the Group's consolidated financial statements except for amendments to IFRS 16 on COVID-19-Related Rent Concessions. These amendments to IFRS 16 are not expected to have a significant impact on the Group's consolidated financial statements.

3 Significant accounting policies

Except as described above, the accounting policies applied in this consolidated interim condensed financial information are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2019.

4 Segment reporting

(a) Reportable segments

The Group has four reportable segments, as described below, which are the Group's strategic business units. These business units are managed separately and the results of their operations are reviewed by the CEO on a regular basis.

Aluminium. The Aluminium segment is involved in the production and sale of primary aluminium and related products.

Alumina. The Alumina segment is involved in the mining and refining of bauxite into alumina and the sale of alumina.

Energy. The Energy segment includes the Group companies and projects engaged in the mining and sale of coal and the generation and transmission of electricity produced from various sources. Where the generating facility is solely a part of an alumina or aluminium production facility it is included in the respective reportable segment.

Mining and Metals. The Mining and Metals segment includes the equity investment in PJSC MMC Norilsk Nickel ("Norilsk Nickel").

Other operations include manufacturing of semi-finished products from primary aluminium for the transportation, packaging, building and construction, consumer goods and technology industries; and the activities of the Group's administrative centres. None of these segments meet any of the quantitative thresholds for determining reportable segments.

The Aluminium and Alumina segments are vertically integrated whereby the Alumina segment supplies alumina to the Aluminium segment for further refining and smelting with limited sales of alumina outside the Group. Integration between the Aluminium, Alumina and Energy segments also includes shared servicing and distribution.

(b) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitor the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current assets with the exception of income tax assets and corporate assets. Segment liabilities include trade and other payables attributable to the production and sales activities of the individual segments. Loans and borrowings are not allocated to individual segments as they are centrally managed by the head office.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments excluding impairment.

The measure used for reporting segment results is the statement of income before income tax adjusted for items not specifically attributed to individual segments, such as finance income, costs of loans and borrowings and other head office or corporate administration costs. The segment profit or loss is included in the internal management reports that are reviewed by the Group's CEO. Segment profit or loss is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

In addition to receiving segment information concerning segment results, management is provided with segment information concerning revenue (including inter-segment revenue), the carrying value of investments and share of profits/(losses) of associates and joint ventures, depreciation, amortisation, impairment and additions of non-current segment assets used by the segments in their operations. Inter-segment pricing is determined on a consistent basis using market benchmarks.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment and intangible assets other than goodwill.

(i) Reportable segments

Six months ended 30 June 2020

	Aluminium USD million	Alumina USD million	Energy USD million	Mining and Metals USD million	Total USD million
Revenue from external customers	3,351	379	–	–	**3,730**
Inter-segment revenue	92	1,203	–	–	**1,295**
Total segment revenue	**3,443**	**1,582**	**–**	**–**	**5,025**
Segment profit	**28**	**47**	**–**	**–**	**75**
Impairment of non-current assets	(9)	(38)	–	–	**(47)**
Share of profits/(losses) of associates and joint ventures	–	–	19	(13)	**6**
Depreciation/amortisation	(169)	(91)	–	–	**(260)**
Non-cash expense	–	(2)	–	–	**(2)**
Additions to non-current segment assets during the period	247	117	–	–	**364**
Non-cash adjustments to non-current segment assets related to site restoration	–	(13)	–	–	**(13)**

Six months ended 30 June 2019

	Aluminium USD million	**Alumina** USD million	**Energy** USD million	**Mining and Metals** USD million	**Total** USD million
Revenue from external customers	3,907	504	–	–	**4,411**
Inter-segment revenue	116	1,530	–	–	**1,646**
Total segment revenue	**4,023**	**2,034**	**–**	**–**	**6,057**
Segment profit	**19**	**364**	**–**	**–**	**383**
Reversal of impairment/(impairment) of non-current assets	8	(40)	–	–	**(32)**
Share of profits of associates and joint ventures	–	–	43	791	**834**
Depreciation/amortisation	(181)	(74)	–	–	**(255)**
Non-cash income	3	2	–	–	**5**
Additions to non-current segment assets during the period	202	116	–	–	**318**
Non-cash adjustments in non-current segment assets related to site restoration	(2)	(9)	–	–	**(11)**

At 30 June 2020

	Aluminium USD million	Alumina USD million	Energy USD million	Mining and Metals USD million	Total segment result USD million
Segment assets	6,905	2,475	–	–	**9,380**
Interests in associates and joint ventures	–	–	673	2,708	**3,381**
Total segment assets					**12,761**
Segment liabilities	(701)	(597)	(12)	–	**(1,310)**
Total segment liabilities					**(1,310)**

31 December 2019

	Aluminium USD million	Alumina USD million	Energy USD million	Mining and Metals USD million	Total segment result USD million
Segment assets	6,912	2,656	–	–	**9,568**
Interests in associates and joint ventures	–	–	699	3,462	**4,161**
Total segment assets					**13,729**
Segment liabilities	(966)	(614)	(11)	–	**(1,591)**
Total segment liabilities					**(1,591)**

(ii) Reconciliation of reportable segment revenue, profit or loss, assets and liabilities

	Six months ended 30 June	
	2020	**2019**
	USD million	**USD million**
Revenue		
Reportable segment revenue	5,025	6,057
Elimination of inter-segment revenue	(1,295)	(1,646)
Unallocated revenue	285	325
Consolidated revenue	**4,015**	**4,736**

	Six months ended 30 June	
	2020	**2019**
	USD million	**USD million**
(Loss)/profit		
Reportable segment profit	75	383
Impairment of non-current assets	(51)	(49)
Share of profits of associates and joint ventures	27	834
Finance income	115	25
Finance expenses	(240)	(345)
Unallocated expense	(130)	(133)
Consolidated (loss)/profit before taxation	**(204)**	**715**

	30 June 2020 USD million	31 December 2019 USD million
Assets		
Reportable segment assets	12,761	13,729
Unallocated assets	3,961	4,085
Consolidated total assets	**16,722**	**17,814**

	30 June 2020 USD million	31 December 2019 USD million
Liabilities		
Reportable segment liabilities	(1,310)	(1,591)
Unallocated liabilities	(9,434)	(9,476)
Consolidated total liabilities	**(10,744)**	**(11,067)**

5 Revenue

	Six months ended 30 June	
	2020	**2019**
	USD million	**USD million**
Revenue from contracts with customers	**4,015**	**4,736**
Sales of products	**3,935**	**4,643**
Sales of primary aluminium and alloys	3,318	3,877
Sales of alumina and bauxite	243	341
Sales of foil and other aluminium products	178	205
Sales of other products	196	220
Provision of services	**80**	**93**
Supply of energy	53	68
Provision of transportation services	4	4
Provision of other services	23	21
Total revenue by types of customers	**4,015**	**4,736**
Third parties	3,592	2,877
Related parties – companies capable of exerting significant influence	209	1,633
Related parties – companies related through parent company	61	76
Related parties – associates and joint ventures	153	150
Total revenue by primary regions	**4,015**	**4,736**
Europe	1,874	2,210
CIS	1,126	1,262
America	292	467
Asia	699	768
Other	24	29

Revenue from sale of primary aluminium and alloys relates to aluminium segment (note 4). Revenue from sales of alumina and bauxite relates to alumina segment. Revenue from sale of foil and other aluminium products and other products and services relates mostly to the revenue of non-reportable segments.

6 Cost of sales and operating expenses

(a) Cost of sales

	Six months ended 30 June	
	2020	**2019**
	USD million	**USD million**
Cost of alumina, bauxite and other materials	**(1,459)**	**(1,733)**
Third parties	*(1,446)*	*(1,666)*
Related parties – companies capable of exerting significant influence	*(8)*	*(37)*
Related parties – companies related through parent company	*(5)*	*(30)*
Purchases of primary aluminium	**(271)**	**(212)**
Third parties	*(34)*	*(10)*
Related parties – companies related through parent company	*(2)*	*(4)*
Related parties – associates and joint ventures	*(235)*	*(198)*
Energy costs	**(988)**	**(1,116)**
Third parties	*(562)*	*(649)*
Related parties – companies capable of exerting significant influence	*(13)*	*(2)*
Related parties – companies related through parent company	*(401)*	*(448)*
Related parties – associates and joint ventures	*(12)*	*(17)*
Personnel costs	**(257)**	**(259)**
Depreciation and amortisation	**(266)**	**(263)**
Change in finished goods	**50**	**(76)**
Other costs	**(329)**	**(272)**
Third parties	*(259)*	*(201)*
Related parties – companies related through parent company	*(13)*	*(14)*
Related parties – associates and joint ventures	*(57)*	*(57)*
	(3,520)	**(3,931)**

(b) Distribution, administrative and other operating expenses, and impairment of non-current assets

	Six months ended 30 June	
	2020	**2019**
	USD million	**USD million**
Transportation expenses	(188)	(203)
Personnel costs	(116)	(115)
Impairment of non-current assets (note 6(d))	(51)	(49)
Consulting and legal expenses	(34)	(30)
Taxes other than on income	(21)	(12)
Packaging materials	(16)	(20)
Security	(16)	(14)
Charitable donations	(15)	(16)
Loss on disposal of property, plant and equipment	–	(6)
Short-term lease and variable lease payments	(10)	(8)
Repair and other services	(9)	(10)
Depreciation and amortisation	(8)	(9)
Reversal of impairment/(impairment) of trade and other receivables	3	(7)
Auditors' remuneration	(3)	(3)
Provision for legal claims	–	(10)
Other expenses	(117)	(92)
	(601)	**(604)**

(c) EBITDA and operating effectiveness measures

Adjusted EBITDA is the key non-IFRS financial measure used by the Group as reference for assessing operating effectiveness.

	Six months ended 30 June	
	2020	**2019**
	USD million	**USD million**
Results from operating activities	(106)	201
Add:		
Amortisation and depreciation	274	272
Impairment of non-current assets	51	49
Loss on disposal of property, plant and equipment	–	6
Adjusted EBITDA	**219**	**528**

(d) Impairment of non-current assets

Events described in note 1(d) set triggers the potential impairment of the Group's goodwill and property, plant and equipment related to a number of cash-generating units. They primarily relate to a depressed level of aluminium and alumina prices during the second quarter of the year 2020 partially counterbalanced by depreciation of Ruble and decrease in oil prices together with cash cost control measures.

For the purposes of impairment testing the recoverable amount of each cash generating unit was determined by discounting expected future net cash flows of the cash generating unit. The constitution of cash generating units has not changed compared to the consolidated financial statements as at and for the year ended 31 December 2019.

Based on results of impairment testing as at 30 June 2020, management has concluded that no impairment or reversal of previously recognised impairment loss relating to property, plant and equipment should be recognised in this consolidated interim condensed financial information apart from minor impairment of specific items of USD51 million disclosed above. Management has also concluded that no impairment of goodwill should be recognised in this consolidated interim condensed financial information.

At 30 June 2020 management analysed changes in the economic environment and developments in the aluminium industry and the Group's operations since 31 December 2019 and used the following assumptions to determine the recoverable amount of the goodwill and property, plant and equipment:

- Total production was estimated based on average sustainable production levels of 3.7 million metric tonnes of primary aluminium, of 8.2 million metric tonnes of alumina and of 15.0 million metric tonnes of bauxite. Bauxite and alumina will be used primarily internally for production of primary aluminium;

- Aluminium sales prices were based on the long-term aluminium price outlook derived from available industry and market sources at USD1,618 per tonne for primary aluminium in 2020, USD1,734 in 2021, USD1,848 in 2022, USD1,937 in 2023, USD2,023 in 2024. Alumina sales prices were based on the long-term alumina price outlook derived from available industry and market sources at USD275 per tonne for alumina in 2020, USD294 in 2021, USD313 in 2022, USD330 in 2023, USD343 in 2024 Operating costs were projected based on the historical performance adjusted for inflation and energy costs forecasts;

- Nominal foreign currency exchange rates applied to convert operating costs of the Group denominated in RUB into USD were RUB72.0 for one USD in 2020, RUB71.6 in 2021, RUB69.9 in 2022, RUB69.3 in 2023, RUB70.2 in 2024. Inflation of 4.1% – 5.0% in RUB and 1.8% – 2.1% in USD was assumed in determining recoverable amounts;

- The pre-tax discount rate was estimated in nominal terms based on the weighted average cost of capital basis for each cash generating units and varied from 11% to 20%;

- A terminal value was derived following the forecast period assuming a 1.8% annual growth rate.

Values assigned to key assumptions and estimates used to measure the units' recoverable amount was based on external sources of information and historic data. Management believes that the values assigned to the key assumptions and estimates represented the most realistic assessment of future trends. The risk factors related to COVID-19 uncertainties have been incorporated into the discount rates applied.

The results are particularly sensitive to the following key assumptions:

- A 5% reduction in the projected aluminium price level would have resulted in the decrease in the recoverable amount of aluminium plants of the Group and would lead to the impairment in the total amount of up to 12% of carrying amount of property, plant and equipment of the Group;

- A 5% reduction in the projected aluminium sales volumes would have resulted in the decrease in the recoverable amount of aluminium plants of the Group and would lead to the impairment in the total amount of up to 3% of carrying amount of property, plant and equipment of the Group;

- A 5% increase in the projected level of electricity costs in the aluminium production would have resulted in the decrease in the recoverable amount of aluminium plants of the Group and would lead to the impairment in the total amount of up to 2% of carrying amount of property, plant and equipment of the Group;

- A 5% increase in the projected level of alumina costs in the aluminium production would have resulted in the decrease in the recoverable amount of aluminium plants of the Group and would lead to the impairment in the total amount of up to 3% of carrying amount of property, plant and equipment of the Group;

- A 1% increase in each of the discount rates applied would have resulted in the decrease in the recoverable amount of all cash generating units by 15% and would lead to the impairment in the total amount of up to 4% of carrying amount of property, plant and equipment of the Group;

- A 10% depreciation of Ruble would have resulted in the increase in the recoverable amount of all Russian-based plants of the Group and would result in recovery of previously recognised impairment in the total amount up to 8% of carrying amount of property, plant and equipment of the Group.

7 Finance income and expenses

	Six months ended 30 June	
	2020	**2019**
	USD million	**USD million**
Finance income		
Interest income on third party loans and deposits	16	17
Interest income on loans to related parties		
– companies related through parent company	–	*1*
Net foreign exchange gain	87	–
Change in fair value of derivative financial instruments (refer to note 15)	12	7
	115	**25**
Finance expenses		
Interest expense on bank loans wholly repayable within 5 years, bonds and other bank charges	(236)	(123)
Interest expense on bank loans wholly repayable after 5 years	–	(165)
Other finance costs	–	(2)
Interest expense on provisions	(3)	(2)
Net foreign exchange loss	–	(51)
Leases interest costs	(1)	(2)
	(240)	**(345)**

8 Income tax

	Six months ended 30 June	
	2020	2019
	USD million	USD million
Current tax		
Current tax for the period	25	94
Deferred tax		
Origination and reversal of temporary differences	(105)	(4)
Actual tax (gain)/expense	**(80)**	**90**

As described in note 1(a) the Company proceeded the winding up of its operations in Cyprus, registered a new branch in Russia and starting from 1 January 2020 has been considered a Russian tax resident with an applicable corporate tax rate of 20% (2019: 12.5% and Cyprus tax resident). Subsidiaries pay income taxes in accordance with the legislative requirements of their respective tax jurisdictions. For subsidiaries domiciled in Russia, the applicable tax rate is 20%; in Ukraine of 18%; Guinea of 0%; China of 25%; Kazakhstan of 20%; Australia of 30%; Jamaica of 25%; Ireland of 12.5%; Sweden of 21.4% and Italy of 27.9%. For the Group's subsidiaries domiciled in Switzerland the applicable tax rate for the period is the corporate income tax rate in the Canton of Zug, Switzerland, which may vary depending on the subsidiary's tax status. The rate consists of a federal income tax and cantonal/communal income and capital taxes. The latter includes a base rate and a multiplier, which may change from year to year. Applicable income tax rate is 11.83% for Swiss subsidiaries. For the Group's significant trading companies, the applicable tax rate is 0%. The applicable tax rates for the period ended 30 June 2019 and the year ended 31 December 2019 were the same as for the period ended 30 June 2020 except for tax rates for subsidiaries domiciled in Switzerland which amounted to 9.55% and 14.35% accordingly.

9 Losses or earnings per share

The calculation of basic losses or earnings per share is based on the loss or profit attributable to ordinary equity shareholders for the six-months periods ended 30 June 2020 and 30 June 2019.

Weighted average number of shares:

	Six months ended 30 June	
	2020	**2019**
Issued ordinary shares at beginning of the period	15,193,014,862	15,193,014,862
Effect of treasury shares	–	–
Weighted average number of shares at end of the period	15,193,014,862	15,193,014,862
(Loss)/profit for the period, USD million	**(124)**	**625**
Basic and diluted (losses)/earnings per share, USD	**(0.0082)**	**0.0411**

There were no outstanding dilutive instruments during the periods ended 30 June 2020 and 30 June 2019.

No dividends were declared and paid during the periods presented.

10 Interests in associates and joint ventures

	Six months ended 30 June	
	2020	**2019**
	USD million	**USD million**
Balance at the beginning of the period	**4,240**	**3,698**
Group's share of profits	27	834
Return of investment	(11)	–
Dividends	(335)	(554)
Foreign currency translation	**(478)**	**372**
Balance at the end of the period	3,443	4,350
Goodwill included in interests in associates	2,148	2,382

Investment in Norilsk Nickel

The Group share of loss of Norilsk Nickel was USD13 million, other comprehensive income was USD nil million, the foreign currency translation loss of USD407 million for the six months ended 30 June 2020. The carrying value of the Group's investment in the investee comprises USD2,708 million as at 30 June 2020.

The market value of the investment in Norilsk Nickel at 30 June 2020 was USD11,771 million (31 December 2019: USD13,586 million). The market value was determined by multiplying the quoted bid price per share on the Moscow Exchange on reporting date by the number of shares held by the Group.

On 29 May 2020 the diesel fuel leak from a thermoelectric power plant of the Norilsk-Taimyr Energy Company (subsidiary of the Norilsk Nickel Group) occurred. Norilsk Nickel together with the Russia government's environmental agency (Rosprirodnadzor) are currently dealing with possible diesel contamination occurrences and cleaning up oil spills. In July 2020 Rosprirodnadzor has published its assessment of the potential damage and claimed it to amount to RUB148 billion (USD2,134 million as at 30 June 2020). The provision in the amount of the above assessment was recognised by Norilsk Nickel in its interim condensed consolidated financial statements for the six months ended 30 June 2020 which has resulted in significant decrease in Group's share of its profits for the reporting period. The assessment is further analysed by Norilsk Nickel.

On 12 July 2020 another diesel fuel leak has occurred in Norilsk region and related clean up works are currently being carried out by Norilsk Nickel. Assessment of the potential damage of the spill is in the process from Norilsk Nickel side.

Management is of the opinion that these factors have no material impact on the Group's ability to fulfil its obligations when they fall due in the foreseeable future.

11 Non-derivative financial instruments

(a) Trade and other receivables

	30 June 2020 USD million	31 December 2019 USD million
Trade receivables from third parties	418	502
Impairment loss on trade receivables	(21)	(30)
Net trade receivables from third parties	**397**	**472**
Trade receivables from related parties, including:	**78**	**124**
Related parties – companies capable of exerting significant influence	*35*	*82*
Impairment loss on trade receivables from related parties – companies capable of exerting significant influence	*(3)*	*(1)*
Net trade receivables from related parties – companies capable of exerting significant influence	*32*	*81*
Related parties – companies related through parent company	*38*	*16*
Impairment loss on trade receivables from related parties – companies related through parent company	*(1)*	*–*
Net trade receivables from related parties – companies related through parent company	*37*	*16*
Related parties – associates and joint ventures	*9*	*27*
VAT recoverable	359	402
Impairment loss on VAT recoverable	(27)	(28)

	30 June 2020 USD million	**31 December 2019 USD million**
Net VAT recoverable	**332**	**374**
Advances paid to third parties	110	121
Impairment loss on advances paid	(2)	(2)
Net advances paid to third parties	**108**	**119**
Advances paid to related parties, including:	**43**	**47**
Related parties – companies capable of exerting significant influence	*1*	*–*
Related parties – companies related through parent company	*–*	*1*
Related parties – associates and joint ventures	*42*	*46*
Prepaid expenses	**5**	**5**
Prepaid income tax	**11**	**21**
Prepaid other taxes	**19**	**26**
Other receivables from third parties	154	158
Impairment loss on other receivables	(6)	(10)
Net other receivables from third parties	**148**	**148**
Other receivables from related parties, including:	**16**	**15**
Related parties – companies related through parent company	*20*	*15*
Impairment loss on other receivables from related parties – companies related through parent company	*(5)*	*–*
Net other receivables to related parties – companies related through parent company	*15*	*15*
Related parties – associates and joint ventures	*1*	*–*
	1,157	**1,351**

All of the trade and other receivables are expected to be settled or recognised as an expense within one year or are repayable on demand.

Ageing analysis

Included in trade and other receivables are trade receivables (net of allowance for credit loss) with the following ageing analysis as of the reporting dates:

	30 June 2020 USD million	**31 December 2019 USD million**
Current (not past due)	356	463
1-30 days past due	59	99
31-60 days past due	19	30
61-90 days past due	17	–
More than 90 days past due	24	4
Amounts past due	119	133
	475	**596**

Aging analysis is performed based on number of days receivable is overdue. Trade receivables are on average due within 60 days from the date of billing. The receivables that are neither past due nor impaired (i.e. current) relate to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of customers that have a good track record with the Group. The Group does not hold any collateral over these balances.

Impairment of trade receivables

Impairment losses in respect of trade receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly.

The movement in the allowance for credit loss during the period is as follows:

	Six months ended 30 June	
	2020	**2019**
	USD million	**USD million**
Balance at the beginning of the period	**(31)**	**(39)**
Reversal of impairment	6	15
Balance at the end of the period	**(25)**	**(24)**

The Group has considered the impact of COVID-19 related matters described in note 1(d) on the expected credit losses assessment and has revised the estimate of the provision accordingly.

(b) Trade and other payables

	30 June 2020 USD million	31 December 2019 USD million
Accounts payable to third parties	**453**	**474**
Accounts payable to related parties, including:	**83**	**92**
Related parties – companies capable of exerting significant influence	*1*	*3*
Related parties – companies related through parent company	*48*	*43*
Related parties – associates and joint ventures	*34*	*46*
Advances received	**688**	**518**
Advances received from related parties, including:	**–**	**392**
Related parties – companies capable of exerting significant influence	*–*	*392*
Other payables and accrued liabilities to third parties	**159**	**147**
Other payables and accrued liabilities to related parties, including:	**4**	**4**
Related parties – companies related through parent company	*4*	*4*
Current tax liabilities	**12**	**16**
Other taxes payable	**146**	**127**
	1,545	**1,770**

All of the trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

Included in trade and other payables are trade payables with the following ageing analysis as at the reporting date. Ageing analysis is performed based on number of days payable is overdue.

	30 June 2020 USD million	31 December 2019 USD million
Current	460	497
Past due 0-90 days	70	58
Past due 91-120 days	2	1
Past due over 120 days	8	10
Amounts past due	80	69
	540	**566**

Lease liabilities that are expected to be settled within one year for the amount of USD25 million are included in other payables and accrued liabilities.

12 Equity

(a) Share capital

	Six months ended 30 June 2020		Six months ended 30 June 2019	
	USD	Number of shares	USD	Number of shares
– Ordinary shares at the end of the period, authorised	200 million	20 billion	200 million	20 billion
– Ordinary shares at 1 January	151,930,148	15,193,014,862	151,930,148	15,193,014,862
Ordinary shares at the end of the period of USD0.01 each, issued and paid	**151,930,148**	**15,193,014,862**	**151,930,148**	**15,193,014,862**

(b) Other reserves

Other reserves include the cumulative unrealised actuarial gains and losses on the Group's defined post retirement benefit plans, the effective portion of the accumulative net change in fair value of cash flow hedges and the Group's share of other comprehensive income of associates.

(c) Distributions

In accordance with the Companies (Jersey) Law 1991 (the "Law"), the Company may make distributions at any time in such amounts as are determined by the Company out of the assets of the Company other than the capital redemption reserves and nominal capital accounts, provided that the directors of the Company make a solvency statement in accordance with that Law of Jersey at the time the distributions are proposed. Dividend pay-outs are restricted in accordance with the credit facilities.

(d) Currency translation reserve

The currency translation reserve comprises all foreign exchange differences arising from the translation of the consolidated financial statements of foreign operations and equity accounted investees.

13 Loans and borrowings

This note provides information about the contractual terms of the Group's loans and borrowings.

	30 June 2020 USD million	**31 December 2019 USD million**
Non-current liabilities		
Secured bank loans	4,656	4,951
Unsecured bank loans	–	202
Bonds	2,578	2,546
	7,234	**7,699**
Current liabilities		
Secured bank	359	223
Unsecured bank loans	402	202
Bonds	4	55
Accrued interest	61	68
	826	**548**

(a) Loans and borrowings

Certain of the Group's bank loans are secured by pledges of shares of the Group's subsidiaries and by pledges of the shares of an associate, the details of which are disclosed in the Group's consolidated financial statements as at and for the year ended 31 December 2019.

The secured bank loans are also secured by the following:

– property, plant and equipment, receivables with a carrying amount of USD30 million (31 December 2019: US44 million).

The nominal value of the Group's loans and borrowings was USD5,447 million at 30 June 2020 (31 December 2019: USD5,612 million).

As at 30 June 2020 and 31 December 2019 rights, including all monies and claims, arising out of certain sales contracts between the Group's trading subsidiaries and its ultimate customers, were assigned to secure the syndicated Pre-Export Finance Term Facility Agreement (PXF) dated 25 October 2019.

As at 30 June 2020 the Group through its subsidiaries has outstanding REPO loans backed by Norilsk Nickel shares in number of 1,265,830 in the amount of USD260 million and maturing in June 2021 (31 December 2019: REPO loans backed by Norilsk Nickel shares in number of 1,017,000, in the amount of USD210 million and maturing in June 2020).

(b) Bonds

As at 30 June 2020 27,751 series 08 bonds and 37,817 series BO-01 bonds (after put option exercised by the Group in April 2020), 15,000,000 series BO-001P-01 bonds, 15,000,000 series BO-001P-02 bonds, 15,000,000 series BO-001P-03 bonds, 15,000,000 series BO-001P-04 bonds were outstanding (traded in the market).

The closing market price at 30 June 2020 was RUB 994, RUB 951, RUB 1,043, RUB 1,055, RUB 1,038 and RUB 1,018 per bond for the above-mentioned tranches, respectively.

On 20 March 2020 the Group repaid Panda bonds issuance (the first tranche) and redeemed bonds with notional value CNY320 million (USD46 million).

On 09 June 2020 placement of the exchange-traded Ruble bonds of PJSC RUSAL Bratsk series BO-002P-01 in the amount of RUB10 billion with a coupon rate 6.5% was completed and the exchange-traded Ruble bonds commenced trading on the Moscow Exchange. Maturity of the bonds is ten years subject to bondholders' put option exercisable in June 2023. The closing market price at 30 June 2020 was RUB 997. In addition to the placement, the Group entered into a cross-currency interest rate swap, which resulted in the exchange-traded Ruble bonds exposure in the amount of RUB5 billion being translated into US-dollar exposure with the maturity of 3 years and the interest rate of 2.90%. As at 30 June 2020 cross-currency interest rate swaps in respect of RUB60 billion Ruble bonds issued during the year ended 31 December 2019 were in force which resulted in bonds exposure being translated in full amount into US-dollar with the maturity in 2022 and 2023 and the interest rate of 3.65% - 4.69%.

As at 30 June 2020 a minor part of the second tranche of Panda Bonds was outstanding (USD3 million).

14 Provisions

USD million	Pension liabilities	Site restoration	Provisions for legal claims	Tax provisions	Total
Balance at 1 January 2019	**54**	**348**	**3**	**20**	**425**
Provisions made during the period	4	24	10	–	38
Provisions reversed during the period	(10)	(11)	–	–	(21)
Actuarial loss	1	–	–	–	1
Provisions utilised during the period	(2)	(2)	–	(20)	(24)
Foreign currency translation	4	7	–	–	11
Balance at 30 June 2019	**51**	**366**	**13**	**–**	**430**
Non-current	*47*	*336*	–	–	*383*
Current	*4*	*30*	*13*	–	*47*
Balance at 1 January 2020	**60**	**371**	**17**	**–**	**448**
Provisions made during the period	3	18	–	–	21
Provisions reversed during the period	–	(3)	–	–	(3)
Actuarial gain	(7)	–	–	–	(7)
Provisions utilised during the period	(2)	(3)	–	–	(5)
Foreign currency translation	(6)	(13)	–	–	(19)
Balance at 30 June 2020	**48**	**370**	**17**	**–**	**435**
Non-current	*44*	*348*	–	–	*392*
Current	*4*	*22*	*17*	–	*43*

15 Derivative financial assets/liabilities

	30 June 2020 USD million		31 December 2019 USD million	
	Derivative assets	**Derivative liabilities**	**Derivative assets**	**Derivative liabilities**
Petroleum coke supply contracts and other raw materials	68	18	39	36
Forward contracts for aluminium and other instruments	82	28	21	18
Cross currency swap (note 13(b))	–	92	48	–
Total	**150**	**138**	**108**	**54**
Non-current	*44*	*15*	*33*	*27*
Current	*106*	*123*	*75*	*27*

Derivative financial instruments are recorded at their fair value at each reporting date. Fair value is estimated in accordance with Level 3 of the fair value hierarchy based on management estimates and consensus economic forecasts of relevant future prices, net of valuation allowances to accommodate liquidity, modelling and other risks implicit in such estimates. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the date of the event or change in circumstances that caused the transfer. There were no changes in valuation techniques during six-month period ended 30 June 2020. The following significant assumptions were used in estimating derivative instruments:

	2020	**2021**	**2022**	**2023**	**2024**	**2025**
LME Al Cash, USD per tonne	1,619	1,683	1,761	1,841	1,921	1,981
Platt's FOB Brent, USD per barrel	41	43	45	47	48	–

The movement in the balance of Level 3 fair value measurements of derivatives is as follows:

	Six months ended 30 June	
	2020	**2019**
	USD million	**USD million**
Balance at the beginning of the period	**54**	**11**
Unrealised changes in fair value recognised in the consolidated interim condensed statement of income (finance income/(expense)) during the period	12	7
Unrealised changes in fair value recognised in other comprehensive income (cash flow hedge) during the period	(58)	(5)
Realised portion of electricity, coke and raw material contracts and cross currency swap	4	5
Balance at the end of the period	**12**	**18**

Sensitivity analysis showed that derivative financial instruments are not particularly sensitive to changes in main inputs.

16 Commitments and contingencies

(a) Capital commitments

The Group has entered into contracts that result in contractual obligations primarily relating to various construction and capital repair works. The commitments at 30 June 2020 and 31 December 2019 approximated USD326 million and USD337 million, respectively. These commitments are due over a number of years.

(b) Taxation

Russian tax, currency and customs legislation is subject to varying interpretations, and changes, which can occur frequently. Management's interpretation of such legislation as applied to the transactions and activities of the Group may be challenged by the relevant local, regional and federal authorities. Notably recent developments in the Russian environment suggest that the authorities in this country are becoming more active in seeking to enforce, through the Russian court system, interpretations of the tax legislation, in particular in relation to the use of certain commercial trading structures, which may be selective for particular tax payers and different to the authorities' previous interpretations or practices. Different and selective interpretations of tax regulations by various government authorities and inconsistent enforcement create further uncertainties in the taxation environment in the Russian Federation.

(c) Environmental contingencies

The Group and its predecessor entities have operated in the Russian Federation, Ukraine, Jamaica, Guyana, the Republic of Guinea and the European Union for many years and certain environmental problems have developed. Governmental authorities are continually considering environmental regulations and their enforcement and the Group periodically evaluates its obligations related thereto. As obligations are determined, they are recognised immediately. The outcome of environmental liabilities under proposed or any future legislation, or as a result of stricter enforcement of existing legislation, cannot reasonably be estimated. Under current levels of enforcement of existing legislation, management believes there are no possible liabilities, which will have a material adverse effect on the financial position or the operating results of the Group. However, the Group anticipates undertaking significant capital projects to improve its future environmental performance and to bring it into full compliance with current legislation.

(d) Legal contingencies

The Group's business activities expose it to a variety of lawsuits and claims which are monitored, assessed and contested on the ongoing basis. Where management believes that a lawsuit or another claim would result in the outflow of the economic benefits for the Group, a best estimate of such outflow is included in provisions in the consolidated interim condensed financial information (refer to note 14). As at 30 June 2020 the amount of claims, where management assesses outflow as possible approximates USD21 million (31 December 2019: USD21 million).

17 Related party transactions

(a) Transactions with management and close family members

Management remuneration

Key management received the following remuneration, which is included in personnel costs:

	Six months ended 30 June	
	2020	**2019**
	USD million	**USD million**
Salaries and bonuses	31	45
	31	**45**

(b) Transactions with associates and joint ventures

Sales to associates and joint ventures are disclosed in note 5, purchases from associates and joint ventures are disclosed in note 6, accounts receivable from associates and joint ventures as well as accounts payable to associates and joint ventures are disclosed in note 11.

(c) Transactions with other related parties

The Group transacts with other related parties, the majority of which are companies related through parent company or under the control of SUAL Partners Limited or its controlling shareholders. As a result of changes in ownership of the Group described in Note 1, Amokenga Holdings Limited and its related entities ceased to be Group's related parties.

Sales to related parties for the period are disclosed in note 5, purchases from related parties are disclosed in note 6, finance income and expenses with related parties are disclosed in note 7, accounts receivable from related parties as well as accounts payable to related parties are disclosed in note 11.

Other purchases of assets and other non-operating expenses from related parties are the following:

	Six months ended 30 June	
	2020	**2019**
	USD million	**USD million**
Related parties – companies capable of exerting significant influence	2	1
Related parties – companies related through parent company	18	10
Related parties – associates and joint ventures	2	3
	22	**14**

(d) Related parties balances

At 30 June 2020, included in non-current assets are balances of related parties – associates and joint ventures of USD4 million (31 December 2019: associates and joint ventures of USD2 million). At 30 June 2020, included in non-current liabilities are balances of related parties – associates and joint ventures of USD12 million (31 December 2019: USD11 million).

At 30 June 2020, included in current assets as short-term investments are balances of related parties – companies related through parent company of USD50 million (31 December 2019: companies related through parent company of USD50 million).

(e) Pricing policies

Prices for transactions with related parties are determined on a case by case basis but are not necessarily at arm's length.

The Group has entered into three categories of related-party transactions: (i) those entered into on an arm's length basis, (ii) those entered into on non-arm's length terms but as part of a wider deal resulting from arms' length negotiations with unrelated third parties, and (iii) transactions unique to the Group and the counterparty.

18 Events subsequent to the reporting date

In July 2020 the Company exercised early prepayment of part of Ruble loan facility to Sberbank in the amount of RUB3.8 billion (USD53 million).

In July 2020 Rusal launched the tender offer and purchased from investors and redeemed Eurobonds for the total amount of USD88.5 million.

Repurchase, sale and redemption by the Group of its securities during the period

Save as the redemption of bonds as disclosed in note 13(b) to the consolidated interim condensed financial information, neither the Company nor any of its subsidiaries repurchased, sold or redeemed any of their securities during the six months ended 30 June 2020.

Directors' Particulars

Retirement, Re-appointment and Appointment of Directors

In accordance with Article 24.2 of the Articles of Association, each of Mr. Evgenii Nikitin, Mr. Evgenii Vavilov and Mr. Evgeny Kuryanov (being executive Directors), Mr. Vyacheslav Solomin and Mr. Vladimir Kolmogorov (being non-executive Directors), retired from directorship by rotation at the annual general meeting held on 13 May 2020 ("Annual General Meeting"). Each of Mr. Evgenii Nikitin, Mr. Evgenii Vavilov, Mr. Evgeny Kuryanov, Mr. Vyacheslav Solomin and Mr. Vladimir Kolmogorov, being eligible for re-election, offered themselves for re-election at the Annual General Meeting, during which they were each re-appointed.

Change of Directors and change to the composition of the Board Committees

Mr. Maxim Poletaev tendered his resignation as an independent non-executive Director with effect from 20 April 2020.

Dr. Evgeny Shvarts was appointed as an independent non-executive Director with effect from 20 April 2020.

Mr. Bernard Zonneveld, an independent non-executive Director, was appointed as a member of the Audit Committee with effect from 20 April 2020. Mr. Kevin Parker, an independent non-executive Director, was appointed as Chairman of the Audit Committee with effect from 20 April 2020.

Mr. Bernard Zonneveld was also appointed as Chairman of the Norilsk Nickel Investment Supervisory Committee with effect from 20 April 2020.

Dr. Evgeny Shvarts was appointed as a member of the Health, Safety and Environmental Committee of the Company with effect from 13 May 2020, and a member of the Norilsk Nickel Investment Supervisory Committee with effect from 18 June 2020.

Change of particulars of Directors

There was no change of particulars of the Directors which are required to be disclosed under Rule 13.51 B (1) of the Listing Rules.

Directors' and Chief Executive Officer's and Substantial Shareholders' interests in Shares

Directors' and Chief Executive Officer's interests

As at 30 June 2020, none of the Directors or the Chief Executive Officer had any interest and short position, whether beneficial or non-beneficial, in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which was notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, including interests and short positions which the Directors and Chief Executive Officer are taken or deemed to have under such provisions of the SFO, or which are required to be and are recorded in the register required to be kept pursuant to section 352 of the SFO or as otherwise notified by the Directors to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies set out in Appendix 10 to the Listing Rules (as incorporated by the Company in its "Codes for Securities Transactions" – for further information, please refer to the section on "Codes for Securities Transactions" below).

Substantial shareholders' interest and short positions in the Shares, underlying Shares, and debentures of the Company

As at 30 June 2020, so far as the Directors are aware based on their understanding and based on notifications made to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO and were recorded in the register (of interests in shares and short positions as stated on the disclosure of interests forms received) required to be kept under Section 336 of the SFO (unless specified otherwise):

Interests and short positions in Shares

Name of Shareholder	Capacity	Number of Shares held as at 30 June 2020	Percentage of issued share capital as at 30 June 2020
Oleg Deripaska	Beneficiary of a trust *(Note 1)*	8,641,888,022 (L)	56.88%
	Beneficial owner	1,669,065 (L)	0.01%
	Total	8,643,557,087 (L)	56.89%
Fidelitas Investments Ltd. (“Fidelitas Investments”) *(Note 1)*	Interest of controlled corporation	8,641,888,022 (L)	56.88%
B-Finance Ltd. (“B-Finance”) *(Note 1)*	Interest of controlled corporation	8,641,888,022 (L)	56.88%
En+ *(Note 1)*	Beneficial owner	8,641,888,022 (L)	56.88%
Access Aluminum Holdings Limited (“Access Aluminum”) *(Note 2)*	Interest of controlled corporation	5,044,554,678 (L)	33.20%
		1,017,931,998 (S) *(Note 2)*	6.70%
Access Industries Holdings LLC (“Access Holdings”) *(Note 2)*	Interest of controlled corporation	5,044,554,678 (L)	33.20%
		1,017,931,998 (S) *(Note 2)*	6.70%
Access Industries Holdings (BVI) L.P. (“Access BVI”)	Interest of controlled corporation	5,044,554,678 (L)	33.20%
		1,017,931,998 (S) *(Note 2)*	6.70%
Access Industries LLC (“Access Industries”) *(Note 2)*	Interest of controlled corporation	5,044,554,678 (L)	33.20%
		1,017,931,998 (S) *(Note 2)*	6.70%
GPTC LLC *(Note 2)*	Interest of controlled corporation	5,044,554,678 (L)	33.20%
		1,017,931,998 (S) *(Note 2)*	6.70%

Name of Shareholder	Capacity	Number of Shares held as at 30 June 2020	Percentage of issued share capital as at 30 June 2020
Zonoville Investments Limited ("Zonoville") *(Note 2)*	Beneficial owner	1,625,652,591 (L) *(Note 2)*	10.70%
	Other	5,044,554,678 (L)	33.20%
		1,017,931,998 (S)	6.70%
TCO Holdings Inc. *(Note 2)*	Interest of controlled corporation	5,044,554,678 (L)	33.20%
		1,017,931,998 (S) *(Note 2)*	6.70%
SUAL Partners *(Note 2)*	Beneficial owner	3,418,902,087 (L)	22.50%
		1,017,931,998 (S) *(Note 2)*	6.70%
	Other	1,625,652,591 (L) *(Note 2)*	10.70%
	Total	5,044,554,678 (L) *(Note 2)*	33.20%
Victor Vekselberg ("Mr. Vekselberg") *(Note 3)*	Beneficiary of a trust *(Note 3)*	5,044,554,678 (L) *(Note 3)*	33.20%

(L) Long position
(S) Short position
Notes – see note on page 86.

Other than the interests disclosed above and the notes set out below, so far as the Directors are aware, as at 30 June 2020, the Company has not been notified of any other notifiable interests or short positions in Shares or underlying Shares.

(Note 1) Based on the disclosure of interests forms filed on the Hong Kong Stock Exchange, Mr. Oleg Deripaska was the founder and a beneficiary of a private discretionary trust which held 86.33% of the share capital of Fidelitas International Investments Corp. (formerly Fidelitas Investments Ltd.), which in turn held 99.99% of the share capital of B-Finance, which in turn held 44.95% of the share capital of En+. Each of B-Finance, Fidelitas International Investments Corp. and Mr. Oleg Deripaska was deemed to be interested in the Shares and underlying Shares held by En+ by virtue of the SFO.

(Note 2) Based on the disclosure of interests forms filed on the Hong Kong Stock Exchange, SUAL Partners was owned as to 35.84% by Renova Metals & Mining Ltd ("Renova Metals"), which in turn was wholly-owned by Renova Holding Ltd. ("Renova Holding"). Renova Holding was controlled by TZ Columbus Services Limited ("TZC") as to 100% and TZC was in turn wholly-owned by TCO.

Zonoville was owned as to 40.32% by Access Aluminum, which in turn was owned as to 98.48% by Access Holdings. Access Holdings was wholly-owned by Access BVI. Access BVI was owned as to 67.16% by Access Industries, which in turn was controlled as to 69.70% by GPTC LLC.

Each of Renova Metals, Renova Holding, TZC, TCO, Access Aluminum, Access Holdings, Access BVI, Access Industries and GPTC LLC were deemed to be interested in the Shares held by SUAL Partners and/or Zonoville by virtue of the SFO.

(Note 3) The Company has been informed by a representative of Mr. Vekselberg that he is a beneficiary under certain irrevocable and fully discretionary trust arrangement pursuant to which the trustee under such trust arrangement held an indirect interest in approximately 36.39% of the issued shares in SUAL Partners. However, Mr. Vekselberg did not file any disclosure of interests notice since 12 April 2013 up to the Latest Practicable Date, and according to the latest disclosure of interests filings available on the Hong Kong Stock Exchange, as at 30 June 2020, the number of Shares which he was interested in was 3,710,590,137, representing 24.42% of the issued share capital of the Company, although his deemed interests in the Company should, if he had made disclosure of interests filings in accordance with requirements of the SFO, be the same as TCO Holdings Inc, his controlled corporation.

Agreements subject to change of control provisions

The following agreements with the Company contain change of control provisions allowing the other parties under such agreements to cancel their commitments in full and declare (or which action would result in) all outstanding loans immediately due and payable in the relevant event:

(a) The PXF Facility – as at 30 June 2020, the outstanding nominal value of debt was USD1,085 billion and the final maturity date of the debt was 7 November 2024.

(b) Credit facility agreement dated 31 August 2017 between, Sberbank as lender and the Company as borrower – as at 30 June 2020, the outstanding nominal value of debt was USD3.7 billion and the final maturity date of the debt was 24 December 2024.

(c) A term facility agreement dated 29 January 2018 between RUSAL as borrower and Nordea Bank Abp as lender with a limit up to USD200 million, and as at 30 June 2020, the outstanding nominal value of the debt was USD200 million and the final maturity of the debt was 30 January 2021.

Corporate Governance Practices

The Company adopts international standards of corporate governance. The Directors believe that high quality corporate governance leads to successful business development and increases the investment potential of the Company, providing more security for Shareholders, partners and customers, as well as reinforcing the Company's internal control systems.

The Company implements its corporate governance standards based on the principles of transparent and responsible business operations.

The Company adopted a corporate code of ethics that sets out the Company's values and principles for many of its areas of operations.

The corporate governance code of the Company is based on the CG Code. The Directors believe that the Company has complied with the code provisions in the CG Code for the first six months of 2020, other than as described below.

The Directors are committed to upholding the corporate governance of the Company to ensure that formal and transparent procedures are in place to protect and maximise the interests of Shareholders.

Term of appointment of Directors

Paragraph A.4.1 of the CG Code provides that non-executive Directors should be appointed for a specific term, subject to re-election. Paragraph A.4.2 of the CG Code provides that every Director, including those appointed for a specific term, should be subject to retirement by rotation at least every three years. The Company has addressed these requirements by including Article 24.2 of the Articles of Association which provides that if any Director has at the start of the annual general meeting been in office for three years or more since his last appointment or re-appointment, he shall retire at the annual general meeting. As such, it is possible that a Director may be in office for more than three years depending upon the timing of the relevant annual general meeting.

Board meetings at which Directors have material interests

A.1.7 of the CG Code states that "*If a substantial shareholder or a director has a conflict of interest in a matter to be considered by the board which the board has determined to be material, the matter should be dealt with by a physical board meeting rather than a written resolution. Independent non-executive directors who, and whose close associates, have no material interest in the transaction should be present at that board meeting.*"

Throughout the six month period ended 30 June 2020, there were no instances when business was dealt with by the Board by way of written resolution where a Director had a material conflict of interest in such business or where a material interest of a Director was stated to have been disclosed.

All the independent non-executive Directors were present at the five Board meetings held in the six month period ended 30 June 2020 where one or more Director(s) had disclosed a material interest.

Of the five board meetings held, there were four occasions where independent non-executive Director(s) might have a material interest in the transaction. On such occurrences, the independent non-executive Director(s) abstained from voting and the resolutions approving entry into such transactions were passed by the requisite majority excluding those independent non-executive Director(s) who might have a material interest.

Attendance of Directors at the Annual General Meeting

A.6.7 of the CG Code provides that independent non-executive directors and other non-executive directors should attend general meetings. The annual general meeting of the Company was held on 13 May 2020 (the "Annual General Meeting"). Certain executive directors, a non-executive director and an independent non-executive director were unable to attend the Annual General Meeting due to conflicting business schedules.

Codes for Securities Transactions

The Company has adopted a Code for Securities Transactions by Directors of the Company. The Code for Securities Transactions was based on the Model Code as set out in Appendix 10 to the Listing Rules but it was made more exacting than the required standard set out in Appendix 10. Having made specific enquiry of all Directors, all Directors confirmed that they had fully complied with the required standard set out in the Model Code and Code for Securities Transactions throughout the accounting period covered by the Interim Report.

The Company has not been notified of any other transaction by the Directors in application of the aforementioned provisions.

Related party transactions

For further information on related party transactions, please refer to note 17 "Related party transactions" of the consolidated interim condensed financial information.

STATEMENT OF RESPONSIBILITY FOR THIS INTERIM REPORT

I, Evgenii Nikitin, declare, to the best of my knowledge, that the consolidated interim condensed financial information contained in this Interim Report has been prepared in accordance with applicable accounting principles and gives a true and fair view of the assets, financial condition and results of operations of RUSAL and the other entities included in the consolidation perimeter, and that the "Management Discussion and Analysis" and "Information Provided in Accordance with the Listing Rules" sections of this Interim Report include a fair review of the material events that occurred in the first six months of this financial year, their impact on the consolidated interim condensed financial information, and the principal related party transactions as well as a description of the principal risks and uncertainties for the remaining six months of this year.

Evgenii Nikitin
Chief Executive Officer
13 August 2020

FORWARD-LOOKING STATEMENTS

This Interim Report contains statements about future events, projections, forecasts and expectations that are forward-looking statements. Any statement in this Interim Report that is not a statement of historical fact is a forward-looking statement that involves known and unknown risks, uncertainties, and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These risks and uncertainties include those discussed or identified herein and in the Annual Report. In addition, past performance of RUSAL cannot be relied on as a guide to future performance. RUSAL makes no representation on the accuracy and completeness of any of the forward-looking statements, and, except as may be required by applicable law, assumes no obligations to supplement, amend, update, or revise any such statements or any opinion expressed to reflect actual results, changes in assumptions or in RUSAL's expectations, or changes in factors affecting these statements. Accordingly, any reliance you place on such forward-looking statements will be at your sole risk.

"Adjusted EBITDA" for any period means the results from operating activities adjusted for amortisation and depreciation, impairment charges and loss on disposal of property, plant, and equipment.

"Adjusted Net Profit" for any period is defined as the net profit adjusted for the net effect from share in the results of Norilsk Nickel, the net effect of embedded derivative financial instruments, the difference between effective and nominal interest rate charge on restructured debt and net effect of non-current assets impairment.

"Alumina price per tonne" represents the average alumina price per tonne which is based on the daily closing spot prices of alumina according to Non-ferrous Metal Alumina Index FOB Australia USD per tonne.

"Aluminium price per tonne quoted on the LME" or **"LME aluminium price"** represents the average daily closing official LME spot prices for each period.

"Aluminium segment cost per tonne" means aluminium segment revenue, less aluminium segment results, less amortisation and depreciation, divided by sales volume of aluminium segment.

"Amokenga Holdings" means Amokenga Holdings Limited, a company incorporated in Bermuda and which is a wholly owned subsidiary of Glencore.

"Annual Report" means the report dated 31 March 2020 for the year ended 31 December 2019 published by the Company.

"Articles of Association" means the articles of association of the Company, conditionally adopted on 24 November 2009, and effective on the Listing Date, and subsequently amended on 22 November 2017.

"Audit Committee" means the audit committee established by the Board in accordance with the requirements of the CG Code.

"BEMO" means the companies comprising the Boguchanskoye Energy and Metals Complex.

"BEMO HPP" means the Boguchanskaya hydro power plant.

"Board" means the board of Directors.

"Boguchansk aluminium smelter" means the aluminium smelter project involving the construction of a 600 thousand tpa greenfield aluminium smelter on a 230 hectare site, located approximately 8 km to the south-east of the settlement of Tayozhny in the Krasnoyarsk region, and approximately 160 km (212 km by road) from the BEMO HPP, as described at pages 23 and 26 of the Annual Report.

"Bratsk aluminium smelter" or **"RUSAL Bratsk"** means PJSC "RUSAL Bratsk", a company incorporated under the laws of the Russian Federation, which is an indirect wholly owned subsidiary of the Company.

"CG Code" means the corporate governance code setting out, among others, the principles of good corporate governance practices as set out in Appendix 14 to the Listing Rules.

"CEO" or **"Chief Executive Officer"** means the chief executive officer of the Company.

"Chairman" or **"Chairman of the Board"** means the chairman of the Board.

"Chief Financial Officer" means the chief financial officer of the Company.

"CIS" means Commonwealth of Independent States.

"Company" or **"RUSAL"** means United Company RUSAL Plc. 俄鋁, a company incorporated under the laws of Jersey with limited liability.

"Corporate Governance and Nomination Committee" means the corporate governance and nomination committee established by the Board in accordance with the requirements of the CG Code.

"Director(s)" means the director(s) of the Company.

"En+" means EN+ GROUP International public joint-stock company, a company registered in accordance with the procedure established by the laws of the Russian Federation, in accordance with the Federal Law of the Russian Federation "On International Companies", and which is a Shareholder of the Company.

"Glencore" means Glencore Plc, a public company incorporated in Jersey and listed on the London Stock Exchange, with a secondary listing on the Johannesburg Stock Exchange, which is an indirect shareholder of the Company. Pursuant to the press release issued by En+ on 28 January 2019, En+ announced that it had entered into a securities exchange agreement and certain other related agreements with certain subsidiaries of Glencore, pursuant to which Glencore shall transfer the 8.75% of the Company's shares to En+ in consideration for En+ issuing new GDRs to Glencore representing approximately 10.55% of the enlarged share capital of En+. As announced by the Company on 3 February 2020, the aforementioned share swap was completed and Glencore ceased to have any shareholding in the Company.

"Group" means RUSAL and its subsidiaries from time to time, including a number of production, trading and other entities controlled by the Company directly or through its wholly owned subsidiaries.

"Hong Kong" means the Hong Kong Special Administrative Region of the PRC.

"Hong Kong Stock Exchange" means The Stock Exchange of Hong Kong Limited.

"Interim Report" means this interim report dated 13 August 2020.

JSC "RUSAL SAYANAL" or **"Sayanal"** means Joint-Stock Company RUSAL SAYANAL, an indirect wholly-owned subsidiary of the Company.

JSC "Ural Foil" or **"Ural Foil"** means Joint Stock Company "Ural Foil", an indirect wholly-owned subsidiary of the Company.

"Khakas Aluminium Smelter" means Closed Joint Stock Company "Khakas Aluminium Smelter", being merged with Sayanogorsk Aluminum Smelter since July 30, 2015.

"Krasnoyarsk Aluminium Smelter" means Joint Stock Company "RUSAL Krasnoy arsk Aluminium Smelter", a company incorporated under the laws of the Russian Federation, which is an indirect wholly-owned subsidiary of the Company.

"Kremniy JSC" means Joint Stock Company "Kremniy", a company incorporated under the laws of the Russian Federation, which is an indirect wholly-owned subsidiary of the Company.

"Latest Practicable Date" means 3 August 2020, being the latest practicable date prior to the printing of this Interim Report for ascertaining certain information in this Interim Report.

"LIBOR" means in relation to any loan:

(a) the applicable screen rate (being the British Bankers' Association Interest Settlement Rate for dollars for the relevant period, displayed on the appropriate page of the Reuters screen); or

(b) (if no screen rate is available for dollars for the interest period of a particular loan), the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the agent at its request quoted by the reference banks to leading banks in the London interbank market, as of the specified time (11:00 a.m. in most cases) on the quotation day (generally two business days before the first day of that period unless market practice differs in the Relevant Interbank Market, in which case the quotation day will be determined by the agent in accordance with market practice in the Relevant Interbank Market) for the offering of deposits in dollars and for a period comparable to the interest period for that loan.

"Listing" means the listing of the Shares on the Hong Kong Stock Exchange.

"Listing Date" means the date on which the Shares were listed on the Hong Kong Stock Exchange, being 27 January 2010.

"Listing Rules" means the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (as amended from time to time).

"LLP Bogatyr Komir" or **"Bogatyr Coal" Limited Liability Partnership** means the joint venture between the Company and Samruk-Energo producing coal described at page 27 of the Annual Report.

"LLP Bogatyr Trans" means "Bogatyr Trans" Liability Limited Company, which is a joint venture between the Company and Samruk-Energo transporting the products.

"LME" means the London Metal Exchange.

"Model Code" means the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules.

"Moscow Exchange" means Public Joint-Stock Company "Moscow Exchange MICEX-RTS" (short name "Moscow Exchange").

“Net Debt” is calculated as Total Debt less cash and cash equivalents as at the end of the period.

“Norilsk Nickel” means PJSC “MMC ‘NORILSK NICKEL’”, a company incorporated under the laws of the Russian Federation.

“OFAC” means the Office of Foreign Assets Control of the Department of the U.S. Treasury.

“OFAC Sanctions” means the designation by OFAC of certain persons and certain companies into the SDN List.

“PRC” means The People’s Republic of China.

“PXF Facility” means up to USD1,085,000,000 Aluminium Pre-Export Finance Term Facility Agreement dated 25 October 2019, among inter alias, RUSAL as Borrower and ING Bank N.V. as Facility Agent and Security Agent and Natixis as Offtake Agent.

“**Recurring Net Profit**” for any period means Adjusted Net Profit plus the Company’s effective share of Norilsk Nickel’s profits, net of tax.

“Related party” of an entity means a party who is:

(a) directly, or indirectly through one or more intermediates, a party which:

  (i) controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);

  (ii) has an interest in the entity that gives it significant influence over the entity; or

  (iii) has joint control over the entity;

(b) an associate of the entity;

(c) a joint venture in which the entity is a venturer;

(d) a member of the key management personnel of the entity or its parent;

(e) a close member of the family of any individual referred to in (a) or (b) above;

(f) an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e) above;

(g) a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

"Related party transaction" means a transfer of resources, services or obligations between Related parties, regardless of whether the price is charged.

"RUB" or **"Ruble"** means Rubles, the lawful currency of the Russian Federation.

"RUSAL ARMENAL" CJSC or **"Armenal"** means Closed Joint Stock Company "RUSAL ARMENAL", an indirect wholly-owned subsidiary of the Company.

"Rusal Capital D.A.C." means Rusal Capital Designated Activity Company, a company incorporated under the laws of Ireland, which is a direct wholly-owned subsidiary of the Company.

"RUSAL Kremny Ural LLC" means Limited Liability Company "United Company RUSAL Ural Silicon", a company incorporated under the laws of the Russian Federation, which is an indirect wholly-owned subsidiary of the Company.

"RUSAL RESAL LLC" means Limited Liability Company "RUSAL RESAL", a company incorporated under the laws of the Russian Federation, which is an indirect wholly-owned subsidiary of the Company.

"Samruk-Energo" means Samruk-Energo, a company incorporated in Kazakhstan, which is an independent third party.

"Sayana Foil" means Limited Liability Company "RUSAL-Sayana Foil", a company incorporated under the laws of the Russian Federation, which is an indirect wholly-owned subsidiary of the Company.

"Sayanogorsk Aluminum Smelter" means Joint Stock Company "RUSAL Sayanogorsk", a company incorporated under the laws of the Russian Federation, which is an indirect wholly-owned subsidiary of the Company.

"Sberbank" means Sberbank of Russia.

"SDN List" means the Specially Designated Nationals List published by OFAC. U.S. persons are generally prohibited from dealing with assets of persons designated in the SDN List which are subject to the U.S. jurisdiction, subject to certain exemptions and exclusions set out in licenses issued by OFAC.

"SFO" means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (as amended from time to time).

"Share(s)" means ordinary share(s) with nominal value of USD0.01 each in the share capital of the Company.

"Shareholder(s)" means holder(s) of Shares.

"SUAL Partners" means SUAL Partners Limited, a company incorporated under the laws of the Bahamas, which is a Substantial shareholder (as the term is defined under the Listing Rules) of the Company.

"Substantial shareholder(s)" has the meaning ascribed to such expression under the Listing Rules.

"Total Debt" means the Company's loans and borrowing at the end of the period.

"US" means the United States of America.

"USD", "US$" or **"US dollar"** means United States dollars, the lawful currency of the US.

"VAT" means value added tax.

"Volgograd aluminium smelter" or **"VgAZ"** means Volgograd Aluminium Smelter, a branch of Joint Stock Company "United Company RUSAL Ural Aluminium", a company incorporated under the laws of the Russian Federation, an indirect wholly-owned subsidiary of the Company.

"Working Capital" means trade and other receivables and inventories less trade and other payables.

"%" means per cent.

* * * *

Certain amounts and percentage figures included in this Interim Report have been subject to rounding adjustments or have been rounded to one decimal place. Accordingly, figures shown as totals in certain tables in this Interim Report may not be an arithmetic aggregation of the figures that preceded them.

UNITED COMPANY RUSAL PLC

俄鋁(Incorporated under the laws of Jersey with limited liability)

Hong Kong Stock Exchange stock code: 486
Moscow Exchange symbol: RUAL

BOARD OF DIRECTORS

Executive Directors

Mr. Evgenii Nikitin
(Chief Executive Officer)
Mr. Evgenii Vavilov
Mr. Evgeny Kuryanov

Non-executive Directors

Mr. Marco Musetti
Mr. Vyacheslav Solomin
Mr. Vladimir Kolmogorov

Independent non-executive Directors

Dr. Elsie Leung Oi-sie
Mr. Dmitry Vasiliev
Mr. Bernard Zonneveld *(Chairman)*
Dr. Evgeny Shvarts
Mr. Randolph N. Reynolds
Mr. Kevin Parker
Mr. Christopher Burnham
Mr. Nick Jordan

REGISTERED OFFICE IN JERSEY

3rd Floor
44 Esplanade,
St Helier,
Jersey,
JE4 9WG

PRINCIPAL PLACE OF BUSINESS

Room 24, Floor 2,
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Moscow, 121096
Russian Federation

PLACE OF BUSINESS IN HONG KONG

3806 Central Plaza
18 Harbour Road
Wanchai Hong Kong

JERSEY COMPANY SECRETARY

Ogier Global Company Secretary (Jersey) Limited
3rd Floor,
44 Esplanade,
St Helier,
JE4 9WG

HONG KONG COMPANY SECRETARY

Ms. Aby Wong Po Ying
3806 Central Plaza
18 Harbour Road
Wanchai Hong Kong

AUDITORS

JSC KPMG
Public Interest Entity Auditor recognised in accordance with the Financial Reporting Council Ordinance
10 Presnenskaya Naberezhnaya
Moscow, 123112
Russian Federation

AUTHORISED REPRESENTATIVES

Mr. Evgenii Nikitin
Ms. Aby Wong Po Ying
Mr. Eugene Choi

PRINCIPAL SHARE REGISTRAR

Computershare Investor Services (Jersey) Limited
Queensway House
Hilgrove Street, St Helier
Jersey,
JE1 1ES

HONG KONG BRANCH SHARE REGISTRAR

Link Market Services (Hong Kong) Pty Limited
Suite 1601, 16/F.
Central Tower 28 Queen's Road Central
Hong Kong

AUDIT COMMITTEE MEMBERS

Mr. Kevin Parker *(chairman)*
Dr. Elsie Leung Oi-sie
Mr. Dmitry Vasiliev
Mr. Bernard Zonneveld

CORPORATE GOVERNANCE AND NOMINATION COMMITTEE MEMBERS

Mr. Dmitry Vasiliev *(chairman)*
Mr. Bernard Zonneveld
Mr. Randolph N. Reynolds
Mr. Christopher Burnham

REMUNERATION COMMITTEE MEMBERS

Dr. Elsie Leung Oi-sie *(chairman)*
Mr. Dmitry Vasiliev
Mr. Randolph N. Reynolds
Mr. Nick Jordan

PRINCIPAL BANKERS

Sberbank
ING N.V.

INVESTOR RELATIONS CONTACT

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Karen.Li@rusal.com

COMPANY WEBSITE

www.rusal.com

By Order of the Board of Directors of
United Company RUSAL Plc
Aby Wong Po Ying
Company Secretary

13 August 2020

As at the date of this announcement, the executive Directors are Mr. Evgenii Nikitin, Mr. Evgeny Kuryanov and Mr. Evgenii Vavilov, the non-executive Directors are Mr. Marco Musetti, Mr. Vyacheslav Solomin and Mr. Vladimir Kolmogorov and the independent non-executive Directors are Dr. Elsie Leung Oi-sie, Mr. Dmitry Vasiliev, Mr. Bernard Zonneveld (Chairman), Dr. Evgeny Shvarts, Mr. Randolph N. Reynolds, Mr. Kevin Parker, Mr. Christopher Burnham and Mr. Nick Jordan.

All announcements published by the Company are available on its website under the links http://www.rusal.ru/en/investors/info.aspx and http://rusal.ru/investors/info/moex/ respectively.